

AGENDA
Wednesday, March 16, 2022
1:00 p.m.
Join on your computer or mobile app
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Or call in (audio only)
[+1 719-733-3651,,905242436#](#)

- | | | |
|------------------|---|----------------------|
| 1:00 p.m. | 1. Call to Order | Chair Wayne Williams |
| 1:05 p.m. | 2. Invocation and Pledge of Allegiance | |
| 1:10 p.m. | 3. Consent Calendar | Chair Wayne Williams |

**These items will be acted upon as a whole, unless a specific item is called for discussion by a Board Member or a citizen wishing to address the Utilities Board.
(Any items called up for separate consideration shall be acted upon following Compliance Reports.)**

- | | | | |
|------------------|---|--|--------------------|
| | 3a. Approval of Minutes: February 16, 2022
3b. Resolution in Support of Candidates for Re-Appointment to the Southeastern Colorado Water Conservancy District Board | Chair Wayne Williams | Approval |
| 1:15 p.m. | 4. Recognition: <ul style="list-style-type: none"> • Behind the Scenes - Martin Drake Power Plant Site Progress • 2022 WaterReuse Award for Excellence in Outreach and Education | | Information |
| 1:25 p.m. | 5. Fort Carson Intergovernmental Support Agreement (IGSA) | Travas Deal,
Chief
Operations
Officer | Discussion |

1:40 p.m.	<p>6. Customer Comments</p> <ul style="list-style-type: none"> • During the customer comment period, comments are accepted for any topic not on the agenda. • Comments for specific agenda items will be taken following the presentation of the item and the Board’s discussion. • Comments will be limited to 3 minutes per speaker, per item. • Following the comments from customers that have signed up to speak, an announcement will be made seeking additional comments and the Board will accept all those wishing to comment. 	Chair Wayne Williams	Information
1:55 p.m.	<p>7. Compliance Reports:</p> <p>ER:1-3 Utilities Board Expected Results Year End Performance –Scorecard</p> <p>I-4 Risk Management (Annual City Auditor Report)</p> <p>I-8 Excellence in Governance Compliance Report Asset Protection</p> <p>E-2 CEO Responsibilities</p> <ul style="list-style-type: none"> • ECA/GCA Monitoring • Water Outlook • Supply Chain Update • Women in Construction Engineering 	Aram Benyamin, Chief Executive Officer	Monitoring
2:10 p.m.	<p>8. Items Called Off Consent Calendar</p>		
2:20 p.m.	<p>9. Irrigation Efficiency Cost-Sharing Intergovernmental Agreement (IGA)</p>	Earl Wilkinson, Chief Water, Compliance & Innovation Officer	Discussion
2:30 p.m.	<p>10. Utilities Reliability Program (URP) Update</p>	Joe Awad, Acting System Planning &	Discussion

- 2:50 p.m.** **11.** CEO Performance Executive Session
In accordance with City Charter, Article III, § 3-60(d) and its incorporated Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(f), and Utilities Board Bylaw Rule 10(c)(6), the Utilities Board, in Open Session, is to determine whether it will hold an electronic Closed Executive Session on a personnel matter. The matter to be discussed is the 2021 year-end performance review of the Chief Executive Officer.

The Chair of the Utilities Board shall poll the Utilities Board members, and, upon the consent of two-thirds of the members present, may conduct an electronic Closed Executive Session. Each Utilities Board member participating in the electronic Closed Executive Session shall affirmatively state for the record that no other member of the public not authorized to participate in the electronic Closed Executive Session is present or able to hear the matters discussed as part of the electronic Closed Executive Session.

If consent to the electronic Closed Executive Session is not given, the item may be discussed in Open Session or withdrawn from consideration.

- 3:50 p.m.** **12.** Board Member Updates

Board of
Directors

Information

- 3:55 p.m.** **13.** Adjournment

Chair Wayne
Williams

MINUTES

Colorado Springs Utilities Board Meeting Wednesday, February 16, 2022

Utilities Board members present via Microsoft Teams or Blue River Conference Room:

Chair Wayne Williams, Vice Chair Mike O'Malley, Dave Donelson, Randy Helms, Bill Murray, Stephannie Fortune, Yolanda Avila, Nancy Henjum, and Tom Strand

Staff members present via Microsoft Teams or Blue River Conference Room: Aram Benyamin, Travas Deal, Earl Wilkinson III, Joe Awad, Sarah LaBarre, Cindy Newsome, Natalie Watts and Andie Buhl

City of Colorado Springs staff members present via Microsoft Teams or Blue River Conference Room: Bethany Burgess and Jeff Greene

Citizens present via Microsoft Teams or Blue River Conference Room: Cindy Aubrey, Mary Burton, David Amess, and Sam Masias

1. Call to Order

Chair Wayne Williams called the Utilities Board meeting to order at 1:00 p.m. and Ms. Andie Buhl, Utilities Board Administrator, called the roll.

Chair Williams welcomed Board Member Stephannie Fortune to her first Utilities Board meeting.

2. Invocation and Pledge of Allegiance

Pastor John Prichard delivered the invocation and Chair Williams led the Pledge of Allegiance.

3. Consent Calendar

3a. Approval of Minutes: January 19, 2022

Board Member Strand moved approval of the Consent Calendar and Board Member Donelson seconded the motion. The Consent Calendar was unanimously approved with a minor change to the January 19, 2022 minutes.

4. Recognition

Behind the Scenes – Rotational Engineering Program

Mr. Aram Benyamin, Chief Executive Officer, and Chair Williams recognized the Rotational Engineering Program. Mr. Benyamin said the program launched in January 2022, and it is designed to prepare entry-level engineers to fill the future engineering needs of the organization. He introduced the first members of the program, who are mechanical engineer graduates from the University of Colorado at Colorado Springs.

2021-2022 Colorado Springs Utilities Employee Giving Campaign with Pikes Peak United Way

Mr. Benyamin explained how the annual employee giving campaign at Springs Utilities is one way that employees give back to the community. He thanked staff for their contributions.

Mr. Earl Wilkinson III, Chief Water, Compliance & Innovation Officer, explained how the campaign is accomplished at Springs Utilities, and listed staff members of this year's Employee Giving Campaign Committee. He said 170 employees generously pledged \$81,205.00 and of that, \$36,636.00 went to Project COPE, which will be doubled by a matching grant from Springs Utilities.

Ms. Cindy Aubrey, Pikes Peak United Way President and CEO, Mary Burton, Resource Development Manager, and Mr. David Amess, Senior Vice President of Resource Development, thanked staff and other contributors who were part of the campaign. She personally thanked and expressed gratitude for Springs Utilities employees helping the community.

Board Member Fortune, who also serves as a member on the Pikes Peak United Way Board, also thanked employees who contributed to the Employee Giving Campaign.

5. Customer Comments

Mr. Sam Masias introduced himself to the Utilities Board and expressed dissatisfaction about past events that have occurred at Springs Utilities and how the organization handled them.

6. Compliance Reports

- Economic Development (I-5)
- Community Investment (I-13)
- Annual Board Evaluation (C-2)
 - Chair Williams explained how the Annual Board Evaluation (C-2) is a self-evaluation of the Board and read the results of the evaluation. The Board engaged in discussion expressing concerns as well as areas of opportunities based on the scores.
 - Mr. Masias provided comment and continued to express dissatisfaction about past events that have occurred at Springs Utilities and how the organization handled them.
- E-2 CEO Responsibilities
 - ECA/GCA Update
 - Water Outlook

Chair Williams explained that compliance reports are on the agenda by exception and asked if there were any questions. There were none.

Mr. Benyamin provided a brief supply chain update. He explained how the organization is surveying materials and delivery timelines, and the steps Springs Utilities is taking based on the current supply chain status.

7. Items Called Off Consent Calendar

None

8. Enterprise Innovation Update

Mr. Wilkinson explained the concept of innovation at Springs Utilities, and how it integrates with the organization's Lean initiative. He said leaders at all levels are focused on creating a culture that invites and supports innovation. Mr. Wilkinson explained which projects are innovative at Springs Utilities and said the Enterprise Innovation (I-14) compliance report is due annually in August.

Mr. Masias provided comment and expressed concerns about the current state of innovative technology at Springs Utilities.

9. Demand-Side Management (DSM) Energy and Water Conservation Calculations and Verification Standards

Mr. Wilkinson gave an overview of 2022 DSM (Demand-Side Management) Energy and Water Conservation programs at Springs Utilities. He explained how Springs Utilities applies best practices in establishing and measuring standards for calculating savings/reductions for each efficiency program, which receive periodic review (measurement and verification) where assumptions and calculations are tested against actuals to calibrate.

Mr. Wilkinson requested adoption from the Utilities Board of the DSM Energy and Water Conservation Program Standards and Calculations – and said a similar request will be made annually to the Board.

The Board unanimously agreed to the adoption.

The Utilities Board took a break at 2:40 p.m. and reconvened at 2:51 p.m.

10. Electric System – Overhead and Underground

Mr. Joe Awad, Acting System Planning and Projects Officer, and Ms. Sarah LaBarre, Acting System Planning and Projects General Manager, gave an overview of Springs Utilities' electric system from an overhead and underground perspective. Ms. LaBarre said that transmission lines carry large voltages (115kV and above) of electricity from power plants to substations and that the organization has 238 miles of transmission with 89% overhead.

Ms. LaBarre said distribution lines deliver electricity from substations to homes and businesses and there are more than 3,600 miles of distribution lines with about 77% of them located underground.

Ms. LaBarre explained that electric masts are how customers receive power if they are served by an overhead distribution line. She said the masts are located outside on a roof or near a meter and resemble a metal pipe or tube.

Ms. LaBarre shared images of underground and overhead systems throughout the city and explained their various types and forms. She also shared maps that highlight the evolution of underground distribution lines pre-1960s subdivisions to present day overhead and underground installations. She also compared system reliability, explaining that overhead lines contribute to 51% of system outages while underground lines contribute to 49% of system outages.

Ms. LaBarre reviewed pros and cons of both overhead and underground lines and concluded with programs and costs for system conversions.

Mr. Masias provided comment and shared images of wooden poles supporting overhead transmission lines. He expressed concerns about how Springs Utilities calculates overhead conversions based on this example.

11. Board Member Updates

Board Member Avila asked if there will be closed captioning at next month's Utilities Board meeting, and shared updates about the Customer Service Department from February's Personnel Committee meeting.

Chair Williams explained how he attended Daniel's Fund interviews and expressed his thankfulness to be able to participate.

12. Adjournment

The meeting adjourned at 3:53 p.m.



Date: March 16, 2022

To: Utilities Board

From: Aram Benyamin, P.E., Chief Executive Officer

Subject: **Resolution in Support of Candidates for Re-Appointment to the Southeastern Colorado Water Conservancy District Board**

Desired Action: **Approval**

Previous Board Communications/Discussion: N/A

Executive Summary: In March 2022, two of the Southeastern Colorado Water Conservancy District El Paso County director board memberships will become available for appointment. Colorado Springs Utilities recommends supporting Ann E. Nichols and Curtis A. Mitchell for re-appointment representing El Paso County on the Board of Directors.

Background Information: The Southeastern Colorado Water Conservancy District is a 15-member board representing geographic areas of the District and are appointed by the Presiding Judge of the Tenth Judicial District. The District is the legal agency responsible for repayment of the reimbursable costs of the Fryingpan-Arkansas Project. The District makes supplemental water from the Fryingpan-Arkansas Project available for use by approximately 280,600 acres of irrigated land under various private and mutual ditch companies, and for use by the municipal and domestic water suppliers who directly serve the District's approximately 600,000 constituents, including water to Colorado Springs via the Fountain Valley Authority.

Ann E. Nichols is applying for re-appointment to represent El Paso County on the Board of Directors. Ms. Nichols has served on the Board since 2006. As a member of the Board, she currently serves on the Finance, Arkansas Valley Conduit and Human Resources Committees and is serving as the Board's Treasurer. Ms. Nichols has experience in water matters including appointment to the Colorado Water Resources and Power Development Authority, extensive experience in water financing and a unique understanding of water needs for El Paso County.

Curtis A. Mitchell is applying for re-appointment to represent El Paso County on the Board of Directors. Mr. Mitchell has extensive experience in water system operations, water resources and water rights. Mr. Mitchell held leadership positions at Colorado Springs Utilities including 11 years as Manager of the Water Treatment Department. In the past, Mr. Mitchell served as President of the Fountain Valley Authority and as the City of Fountain Utilities Director. Mr. Mitchell has built essential relationships with Southeastern Colorado Water Conservancy District staff and Board Members and is currently serving as the Board's Vice-President.

Options: N/A

Recommendations: Colorado Springs Utilities recommends the adoption of the attached Utilities Board Resolution.

RESOLUTION NO. 22 - 01

A RESOLUTION OF THE COLORADO SPRINGS UTILITIES BOARD OF DIRECTORS IN SUPPORT OF CANDIDATES FOR RE- APPOINTMENT TO THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS

WHEREAS, the Southeastern Colorado Water Conservancy District (“District”) was created under Colorado State Statutes on April 29, 1958, by the District Court of Pueblo, Colorado, for the purpose of developing and administering the Fryingpan-Arkansas Project (“Project”); and

WHEREAS, the District extends along the Arkansas River from Buena Vista to Lamar, and along Fountain Creek from Colorado Springs to Pueblo, Colorado; and

WHEREAS, the District is responsible for repayment of the reimbursable costs of the Project; and

WHEREAS, the District makes supplemental water from the Project available for use by various private and mutual ditch companies, to irrigate approximately 280,600 acres of land, and for use by the many municipal and domestic water suppliers who serve the District’s approximately 600,000 constituents; and

WHEREAS, Colorado Springs Utilities, through the Fountain Valley Authority, is a major purchaser of water and major contributor in terms of taxable income to the District; and

WHEREAS, the District is governed by a 15-member board of directors representing the nine counties within the District, with each director appointment by Water Court for the District to service for four-year terms and is subject to re-appointment; and

WHEREAS, in March 2022, two of the El Paso County director board memberships will become available for re-appointment; and

WHEREAS, Section 37-45-114 of the Colorado Revised Statutes provides that each applicant shall have resided within the District for a period of at least one year, shall be the owner of real property within the District, and shall be knowledgeable in water matters; and

WHEREAS, Ann E. Nichols and Curtis A. Mitchell are seeking re-appointment as directors for the District, representing El Paso County; and

WHEREAS, Ann E. Nichols has experience in water matters including appointment to the Colorado Water Resources and Power Development Authority, extensive experience in water financing and a unique understanding of water needs for El Paso County. Ms. Nichols has served on the Finance, Arkansas Valley Conduit, and Human Resources Committees and is currently serving as the Board's Treasurer.

WHEREAS, Curtis A. Mitchell has extensive experience in water system operations, water resources and water rights. Mr. Mitchell held leadership positions at Colorado Springs Utilities including 11 years as Manager of the Water Treatment Department. In the past, Mr. Mitchell has served as President of the Fountain Valley Authority and the City of Fountain Utilities Director. Mr. Mitchell has built essential relationships with Southeastern Colorado Water Conservancy District staff and Board Members and is currently serving as the Board's Vice-President.

NOW, THEREFORE, BE IT RESOLVED BY THE COLORADO SPRINGS UTILITIES BOARD:

Section 1: The Colorado Springs Utilities Board of Directors supports the re-appointment of Ann E. Nichols and Curtis A. Mitchell as directors for the Southeastern Colorado Water Conservancy District from El Paso County.

Section 2: The Chair is authorized to send letters of support on behalf of both candidates.

Section 3: The Chair is hereby authorized to execute this Resolution on behalf of Colorado Springs Utilities and the Secretary is authorized to attest the Chair's signature.

DATED at Colorado Springs, Colorado, this 16th day of March 2022.

Chair of the Utilities Board

ATTEST:

Secretary



Date: March 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Martin Drake Power Plant Site Progress

Desired Action: Information

Previous Board Communications/Discussion: N/A

Executive Summary: This month's Behind the Scenes spotlight focuses on the progress made at the Martin Drake Power Plant site since August 2021.

Our Sustainable Energy Plan accelerated the retirement of the Martin Drake Power Plant from no later than 2035 to no later than Dec. 31, 2022.

On Aug. 27, 2021, coal was used to generate power at the Drake Power Plant for the last time. As we aim to reach the goal of reducing carbon emissions 80% by 2030, six new natural gas generators will be positioned temporarily onsite to continue the utility's reliable electric service. The generators will remain at the Drake site until the transmission system upgrades are complete, which is planned for 2026. At this point, they will be moved to other parts of the system.

Between September 2021 and February 2022, we conducted demolition of coal handling equipment in the coal pile area, worked on underground utility infrastructure and laid the foundations for new incoming equipment to support the natural gas generators. Most recently, we received deliveries of natural gas compressors and coolers. In the spring and early summer, we will receive deliveries of combustion turbines and the rest of our major equipment like pumps and transformers.

Currently, we have about 100 individuals onsite each day including but not limited to contractors, natural gas employees, environmental employees, project managers and plant employees. Though supply chain issues have impacted our timelines throughout the project, we still expect to take Drake 6 and 7 offline in September 2022.



Date: March 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: 2022 WateReuse Award for Excellence in Outreach and Education

Desired Action: Information

Previous Board Communications/Discussion: Utilities Board tour July 21, 2021

Executive Summary: This month’s Behind the Scenes spotlight recognizes the PureWater Colorado Mobile Demonstration project, which received the national 2022 WateReuse Award for Excellence in Outreach and Education. The award recognizes significant success in advancing public acceptance of recycled water, including short-term campaigns, educational programs and events.

The award ceremony took place March 8 in San Antonio. Birgit Landin (Senior Public Affairs Specialist) and Shaun Thompson (Wastewater Environmental Specialist) accepted this honor on behalf of Colorado Springs Utilities, alongside representatives from our project partners, Colorado School of Mines and Carollo Engineers.

In 2019, Colorado Springs Utilities received a grant from the Colorado Water Conservation Board for a demonstration project to help advance the science and regulatory framework for direct potable reuse (DPR) in Colorado. DPR is identified in our Sustainable Water Plan as a possible future mechanism for stretching our reusable water supplies. The PureWater mobile demonstration was

A quick overview, by the numbers	
50	Tours conducted
945	Tour attendees
85	% of attendees tasted purified water
3	Community event booths
760	Soda tastings at community events
4	Public presentations
101	Presentation attendees
11	School and college tours
2	Media events
10+	Media stories
3	Videos produced
36,254	Social media impressions

constructed as a scaled model of the carbon-based DPR process. Beginning in the summer of 2021, the outreach goal for the project was to raise awareness and educate a broad range of stakeholders in our community and region on the safety and value of purified water. An [Outreach Summary Report](#) noting objectives and achievements for the project is available at csu.org.

Colorado Springs Utilities' PureWater demonstration outreach team members include: Kirk Olds, Donene Dillow, Birgit Landin, Jerry Duncan, Shaun Thompson, Jennifer Kemp, Lisa Halcomb, Ted Skroback and Ryan Maecker. Employees from water/wastewater operations, environmental services, engineering and community relations, who served as tour guides for the project were also recognized.



Date: March 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Fort Carson Intergovernmental Support Agreement (IGSA)**

Desired Action: Discussion

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Springs Utilities and Fort Carson have agreed to an Intergovernmental Support Agreement (IGSA) to provide electric and gas system services commencing Jan. 1, 2023.

Background Information: Springs Utilities provides robust electric, gas, and water services to Fort Carson ‘at the fence’ through multiple delivery points for each service. Fort Carson owns, operates, and repairs the utility distribution systems inside the fence.

As the Army seeks to enhance mission assurance and energy/water resiliency, it is essential to strengthen the places where our military trains, deploys from, and calls home: our installations and defense communities. Over the past decade, Congress has enacted a wide range of legislation, creating new partnership authorities including Intergovernmental Support Agreements (IGSAs) to address an ever-growing list of issues.

Fort Carson approached Colorado Springs Utilities to explore operating, maintaining, and repairing Fort Carson’s electric, gas, and water distribution systems through an IGSA to enhance services and reduce costs. After an extension evaluation, Springs Utilities agreed to an IGSA with Fort Carson to provide services for the electric and gas systems effective Jan. 1, 2023. The term of the agreement is one year and is renewable for successive one-year periods for up to nine additional years.

Options: N/A

Recommendations: N/A



Date: March 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance - Utilities Board Expected Results (ER: 1-3) Year-end 2021**

Desired Action: Monitoring

Compliance: Performance Measures: 2.67 = Partially Meets Expectations
 Competencies: 4.14 = Exceeds Expectations
 Overall Score: 3.41 = Meets Expectations

EXPECTATIONS			
Category:	Utilities Board/Chief Executive Officer Partnership Expectations	Reporting Timeframe:	As of December 31, 2021
Policy Title (Number):	Utilities Board Expected Results Balanced Scorecard (ER: 1-3)	Reviewing Committee:	Personnel
Monitoring Type:	Internal		
Monitoring Frequency:	Quarterly		

The Utilities Board monitors achievement of organizational results through Utilities Board Expected Results. Measures and targets are approved in December for the following year.

The Board Expected Results elements are allocated as follows:

- 50% toward achieving performance measure targets related to the Utilities Board strategic focus areas of rates, reliability and relationships. The performance measures result is 2.67 on a scale of 1 to 5.
- 50% based on the Utilities Board assessment of CEO leadership competencies. The CEO leadership competencies result is 4.14 on a scale of 1 to 5.
- The overall Board Expected Results score is 3.41 on a scale of 1 to 5.

The overall rating is based on the scale below.

1	2	3	4	5
Does Not Meet Expectations	Partially Meets Expectations	Meets Expectations	Exceeds Expectations	Far Exceeds Expectations
<2.00	2.00 - 2.99	3.00 - 3.74	3.75 - 4.49	>4.49

The Board Expected Results rating is derived from performance measure and CEO leadership competencies results outlined below.

2021 Colorado Springs Utilities Board Expected Results

Mission: To provide safe, reliable, competitively-priced electric, natural gas, water and wastewater services to the citizens and customers of Colorado Springs Utilities

Year-end 2021

Perspective	Strategic Objective	Objective Status	Measure	Current Result	Measure Status	
Customer/Stakeholder	C1 Focus on the Customer	1	C1a Residential Customer Satisfaction	45%	1	
			C1b Business Customer Satisfaction	83%	1	
	C2 Provide Safe, Resilient and Quality Utility Services	3	C2a Electric System Average Interruption Duration Index (SAIDI)	49.93	3	
			C2b Failures per 100 Miles of Natural Gas Pipe	2.80	4	
			C2c Water System Average Interruption Duration Index (SAIDI)	11.72	2	
			C2d Failures per 100 Miles of Water Pipe	10.59	3	
			C2e Failures per 100 Miles of Wastewater Pipe	0.51	3	
	C3 Support the Community	3	C3a Infrastructure Coordination with City	1.03	3	
	Financial Stewardship	FS1 Keep Bills Competitive	3	*FS1a Residential 4 Service Bill - Regional Comparison	1.41%	3
*FS1b Residential Electric Bill - Regional Comparison				-13.46%	4	
*FS1c Small Commercial 4 Service Bill - Regional Comparison				5.88%	2	
*FS1d Small Commercial Electric Bill - Regional Comparison				-18.69%	3	
*FS1e Large Commercial/Industrial 4 Service Bill - Regional Comparison				3.95%	3	
*FS1f Large Commercial/Industrial Electric Bill - Regional Comparison				-17.65%	4	
*FS1g Industrial Electric-Intensive Customer Bill-Regional Comparison				-22.47%	3	
**FS1h Industrial Electric-Intensive Customer Bill-Nationwide Comparison				-15.28%	3	
FS2 Build Financial Strength		2	^FS2a Days Cash on Hand	149	1	
			^^FS2b Adjusted Debt Service Coverage	1.58	1	
			FS2c Debt Ratio	53.5%	3	
			FS2d Bond Rating	Standard & Poors: AA+ Moody's Investors Service: Aa2 Fitch Ratings : AA	3	
Internal Process		P1 Optimize Operations and Infrastructure	3	P1a Advanced Metering Infrastructure Implementation	1.03	3
		P2 Plan, Build, and Maintain Assets and Infrastructure	2	P2a Sustainable Energy Portfolio	2.8	2
	P2b Gas Distribution Integrity Management Program and Compliance			2.6	2	
Foundational	F1 Attract, Develop and Retain a Skilled and Diverse Workforce	2	F1a Workforce Index	2.20	2	
	F2 Ensure Employee, Contractor and Public Safety	3	F2a Safety Index	2.60	3	
	F3 Demonstrate Environmental Stewardship	4	F3a Environmental Index	90	4	
				Performance Measure Total:	2.67	
			CEO Leadership Competency	Average Rating	Status	
			Board Interaction	4.29	4	
			Safety	4.11	4	
			Leadership	3.88	4	
			Balances Internal/External Stakeholders	4.00	4	
			Cultivates Innovation and Strategic Mindset	4.41	4	
				Competencies Total:	4.14	

As of: 12/31/2021

Overall Score: 3.41

Notes:

*For **Regional Bill Comparison measures** only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

** The Lincoln Electric System nationwide survey which results for "FS1h Industrial Electric-Intensive Customer Bill-Nationwide Comparison" were based on in the past has been discontinued. Therefore the result for 2021 was based on the Lincoln Electric System large light and power industrial regional survey.

^**Days Cash on Hand:** When excluding the natural gas expenses associated with February winter storm Uri and increased fuel recovery revenues from ECA and GCA rate actions, the year-end 2021 Days Cash on Hand Metric is projected at 215 (far exceeds expectations)

^^**Adjusted Debt Service Coverage:** When excluding the natural gas expenses associated with February winter storm Uri and increased fuel recovery revenues from ECA and GCA rate actions, the year-end 2021 Adjusted Debt Service Coverage ratio is projected at 1.86 (meets expectations)

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

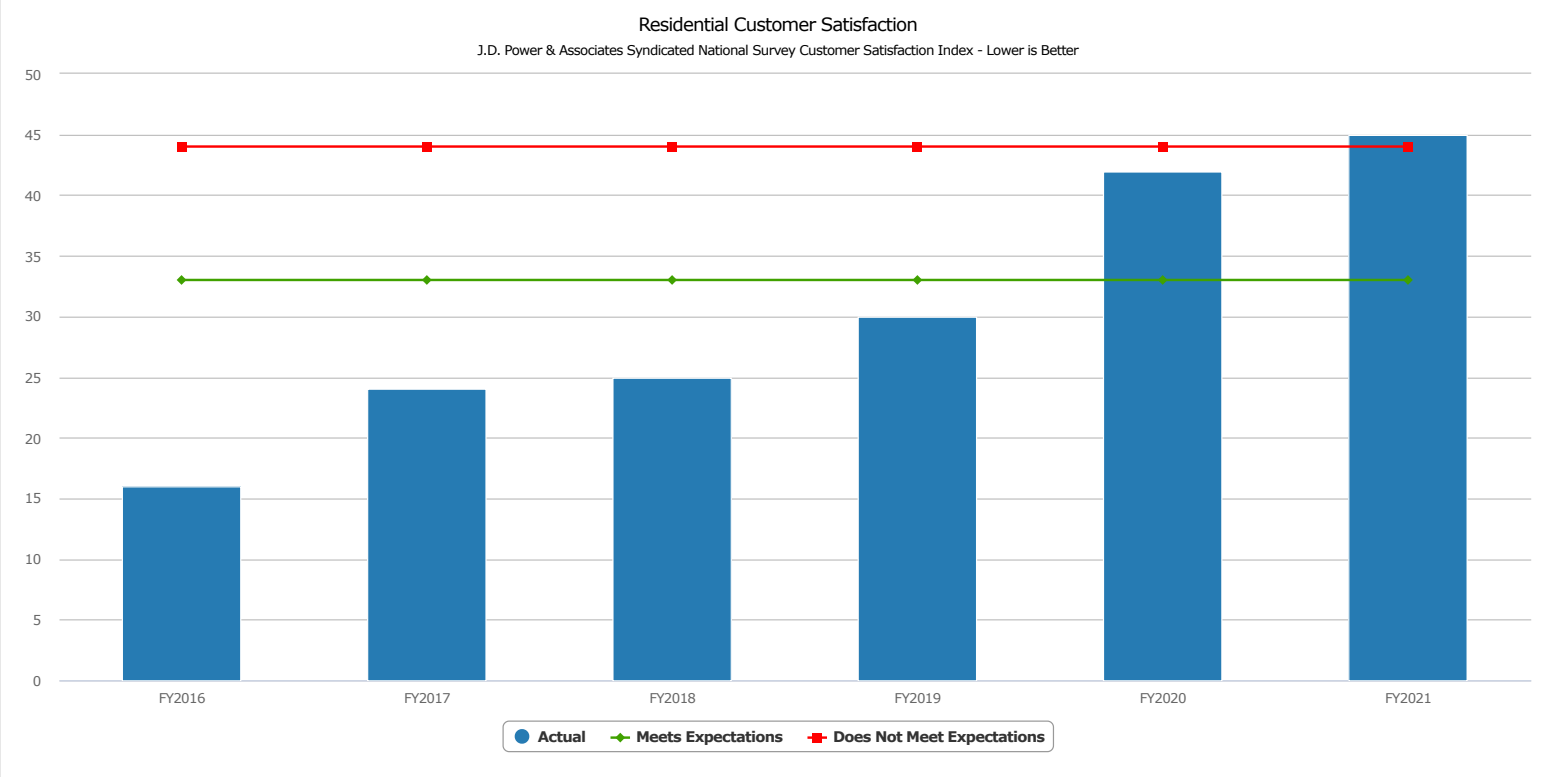
Reported as: Cumulative performance over four waves until study end

Target range: 33% – 15% (top ranking of utility companies)

MEASURE PERFORMANCE

2021 results for the full year (four waves) rank Colorado Springs Utilities in the top 45% of the J.D. Power and Associates Electric Utility Residential Customer Satisfaction Study.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The J.D. Power and Associates Residential Customer Satisfaction rank declined by 3 percentage points from top 42% at the end of the 2020 study to 45% at the end of 2021.
- Colorado Springs Utilities ranked 65th in overall customer satisfaction among the 144 participating utilities nationally.
- Compared to the 2020 study Colorado Springs Utilities' Overall Customer Satisfaction Index score decreased five points, from 761 (on a 1,000-point scale) to 756.
- The six drivers of residential customer satisfaction and the 2021 results are: Power Quality and Reliability (809 – Top 20%), Price (695 – Lower 54%), Billing and Payment (805 – Lower 60%), Corporate Citizenship (704 – Lower 53%), Communications (712 – Lower 63%), and Customer Care (807 – Lower 61%).

MEASURE DESCRIPTION

Strategic Objective Supported: Focus on the Customer

Reported as: Cumulative performance over two waves of data

Target range: 33% – 15% (top ranking of utility companies)

MEASURE PERFORMANCE

2021 results for the full year (two waves) rank Colorado Springs Utilities in the top 83% of the J.D. Power and Associates Electric Utility Business Customer Satisfaction Study.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- Using an inferred ranking methodology (given our business customer base falls below study requirements), Colorado Springs Utilities ranked 73rd in overall customer satisfaction among 88 participating utilities nationally. Colorado Springs Utilities does not meet the minimum threshold of business customers on file to participate in the syndicated study.
- The J.D. Power and Associates Business Customer Satisfaction rank declined by 3 percentage points from lower 80% at the end of the 2020 study to 83% at the end of 2021.
- Colorado Springs Utilities' 2021 business Overall Customer Satisfaction Index score decreased 13 points from 771 (2020) to 758 (on a 1,000-point scale).
- The six drivers of business customer satisfaction and the 2021 results are: Power Quality & Reliability (772 – Lower 92%), Corporate Citizenship (751 – Lower 58%), Price (722 – Lower 77%), Billing & Payment (773 – Lower 98%), Communications (747 – Lower 70%), and Customer Contact (797 – Lower 88%).

MEASURE DESCRIPTION

Strategic Objective Supported: Provide Safe, Resilient and Quality Utility Services

Reported as: 12 month rolling average

Target range: 52.50 – 47.51 (minutes interruption per customer per year)

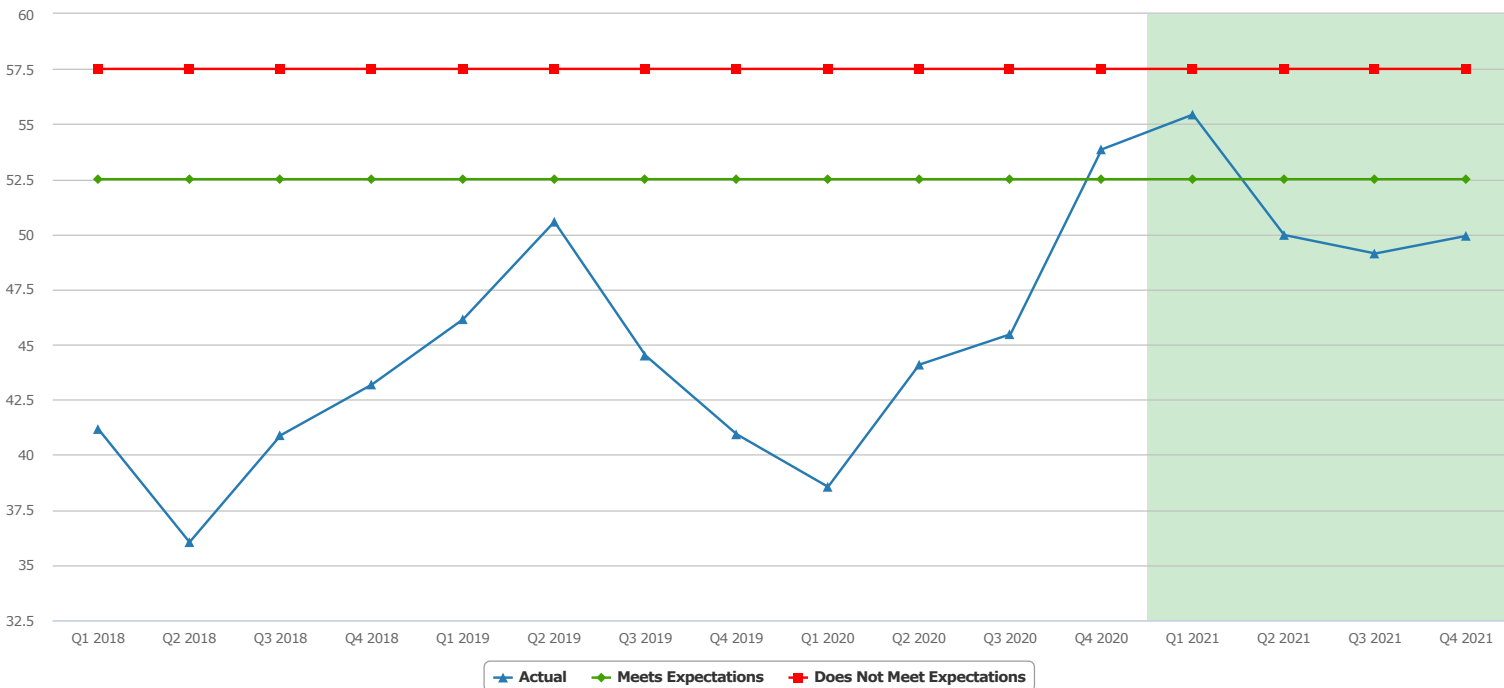
MEASURE PERFORMANCE

The 2021 year-end result is 49.93 minutes.

MEASURE CHART(S)

Electric System Average Interruption Duration Index (SAIDI)

In Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- The result excludes major event day outages as described below, which is our reliability reporting standard.
- Including the severe windstorm on Dec. 15, 2021, there were 540 sustained outages in Q4 and 1,222 sustained outages in total for 2021.
- Excluding the windstorm on December 15, 2021, since it was considered a major event day, there were 195 sustained outages in Q4 and 1,027 sustained outages in total for 2021.
- According to the 2021 Institute of Electrical and Electronics Engineers (IEEE) reliability benchmark survey (2020 data), Colorado Springs Utilities ranked sixth out of 84 survey participants for Electric SAIDI performance.

4 C2b Failures per 100 Miles of Natural Gas Pipe

Measure Status: Exceeds Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Provide Safe, Resilient and Quality Services

Reported as: 12 month rolling average

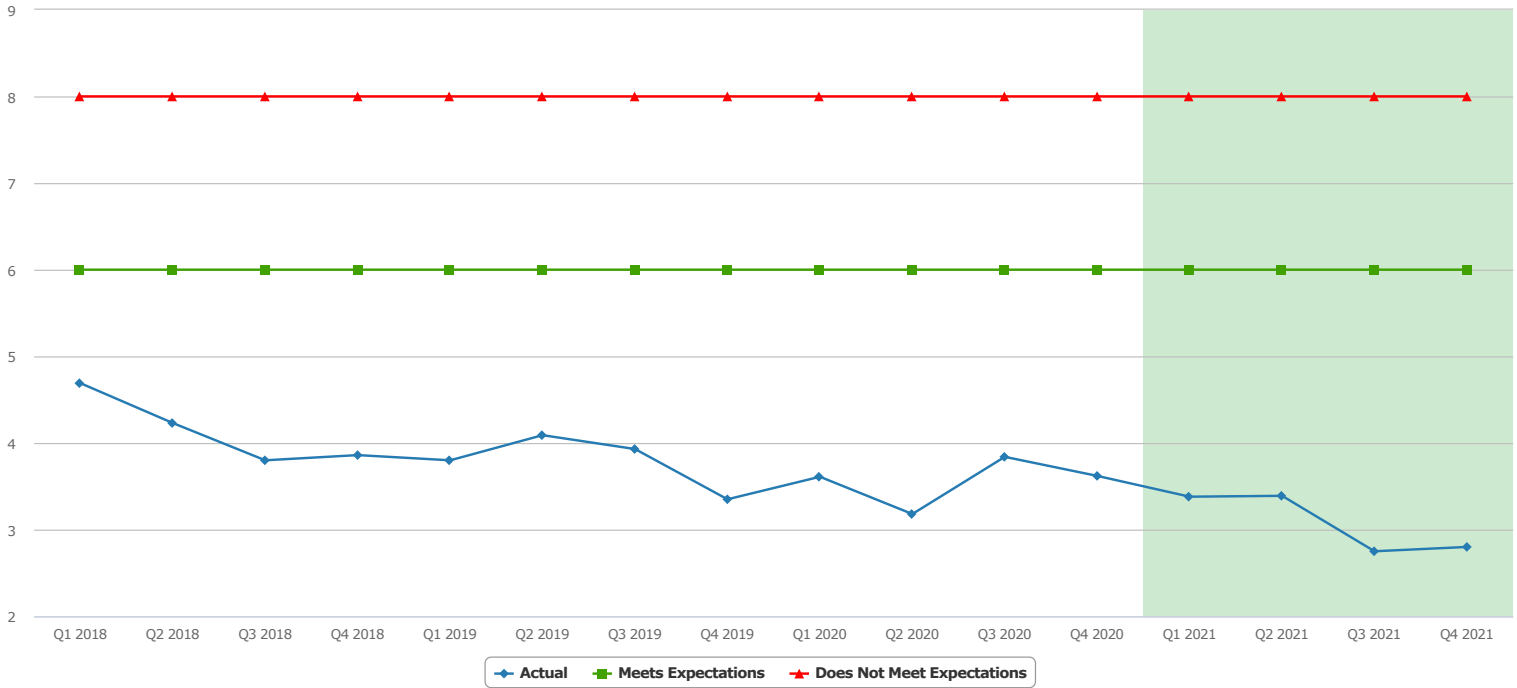
Target range: 6.00 – 4.00 (failure per 100 miles of pipe)

MEASURE PERFORMANCE

The 2021 year-end result is 2.80 failures per 100 miles of pipe.

MEASURE CHART(S)

Failures per 100 Miles of Natural Gas Pipe
Number of Failures - Lower is Better



PERFORMANCE ANALYSIS

- There were 32 failures on the 5,606 miles of gas pipe that make up the gas infrastructure in Q4 2021. There were 157 failures from January 2021 through December 2021.

MEASURE DESCRIPTION

Strategic Objective Supported: Provide Safe, Resilient and Quality Services

Reported as: 12 month rolling average

Target Range: 11.50 - 9.00 (minutes interruption per customer per year)

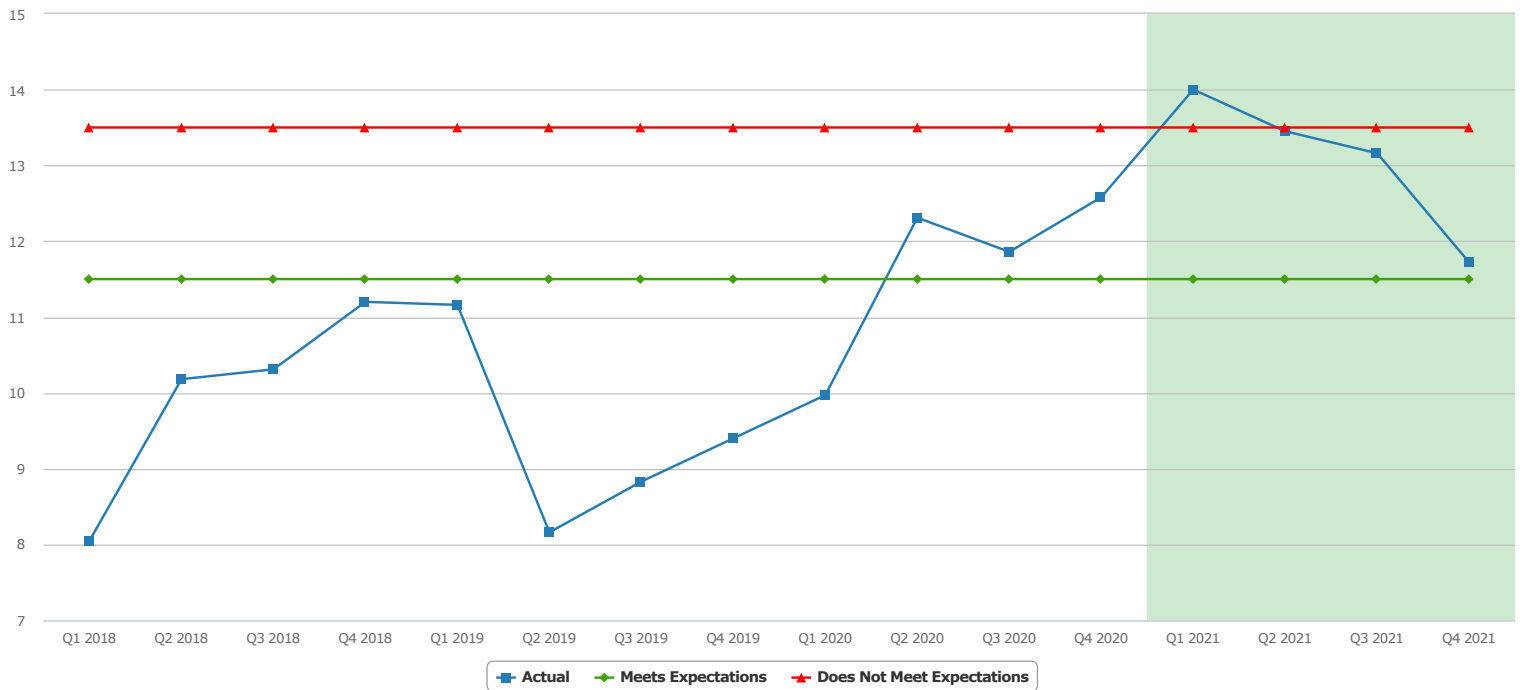
MEASURE PERFORMANCE

The 2021 year-end result is 11.72 minutes.

MEASURE CHART(S)

Water System Average Interruption Duration Index (SAIDI)

Minutes per Customer - Lower is Better



PERFORMANCE ANALYSIS

- There were 12 major outages in Q4 2021, impacting a total of 352 customers for 280,941 customer minutes out.
- 2021 reported a total of 197 water main failures. Compared to 2020, this is an decrease of 48 (197 vs 245).
- On March 16, 2021 there was an outage on Academy and Maizeland that effected 70 customers for a 52-hour duration. The cause was due to a failure on a 24" valve that caused extensive damage to the intersection and resulted in the customer outage.
- The month of February we saw inclement cold weather conditions resulting in longer timeframes to make repairs due to equipment functioning challenges and ensuring the safety of staff while addressing emergencies.
- Many of these outages were due to aging infrastructure on large size mains affecting many customers in our community. Valve isolation points have contributed to an increased linear footage of an outage because the valves nearest to the leak did not isolate fully- not meeting our isolation safety factor requirement for teams onsite. Crews then had to fall back on the next available system valve to control the leaks adding to the number of customers affected by the outage. Note: The identified valves are documented for future prioritized assessment.
- There were also multiple breaks that resulted in re-establishing tap service connections for customers which contributed to extending the repair/outage time for our customer on a couple of the larger outages.
- Water Construction has been working with the Engineering Support Group to perform an assessment and analysis of these large diameter high maintenance mains and valves. The assets are documented in the next five-year forecast list to be replaced, and/or perform condition assessment and cathodic protection to the infrastructure if a total replacement is not deemed necessary.
- The replacement and asset renewal infrastructure are discussed and prioritized in bi-weekly meetings to identify future allocations for the water distribution system needs.

3 C2d Failures per 100 Miles of Water Pipe

Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Provide Safe, Resilient and Quality Services

Reported as: 12 month rolling average

Target Range: 12.00 – 10.00 (failures per 100 miles of pipe)

MEASURE PERFORMANCE

The 2021 year-end result is 10.59 failures per 100 miles of pipe.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- There were 66 failures in Q4 2021. Thirty of the failures were main breaks, 26 were main leaks, and 10 were valve leaks.
- A detailed analysis by System Planning and Projects Division shows that, at current funding levels for the capital program that addresses water main replacement, cathodic protection, and lining of water mains, a minimal increase in water main failures is expected over the next 5 years.
- The capital program prioritizes addressing high risk water mains, minimizing leaks under new pavement, and aligning with the City's 2C initiative.

3 C2e Failures per 100 Miles of Wastewater Pipe

Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Provide Safe, Resilient and quality Services

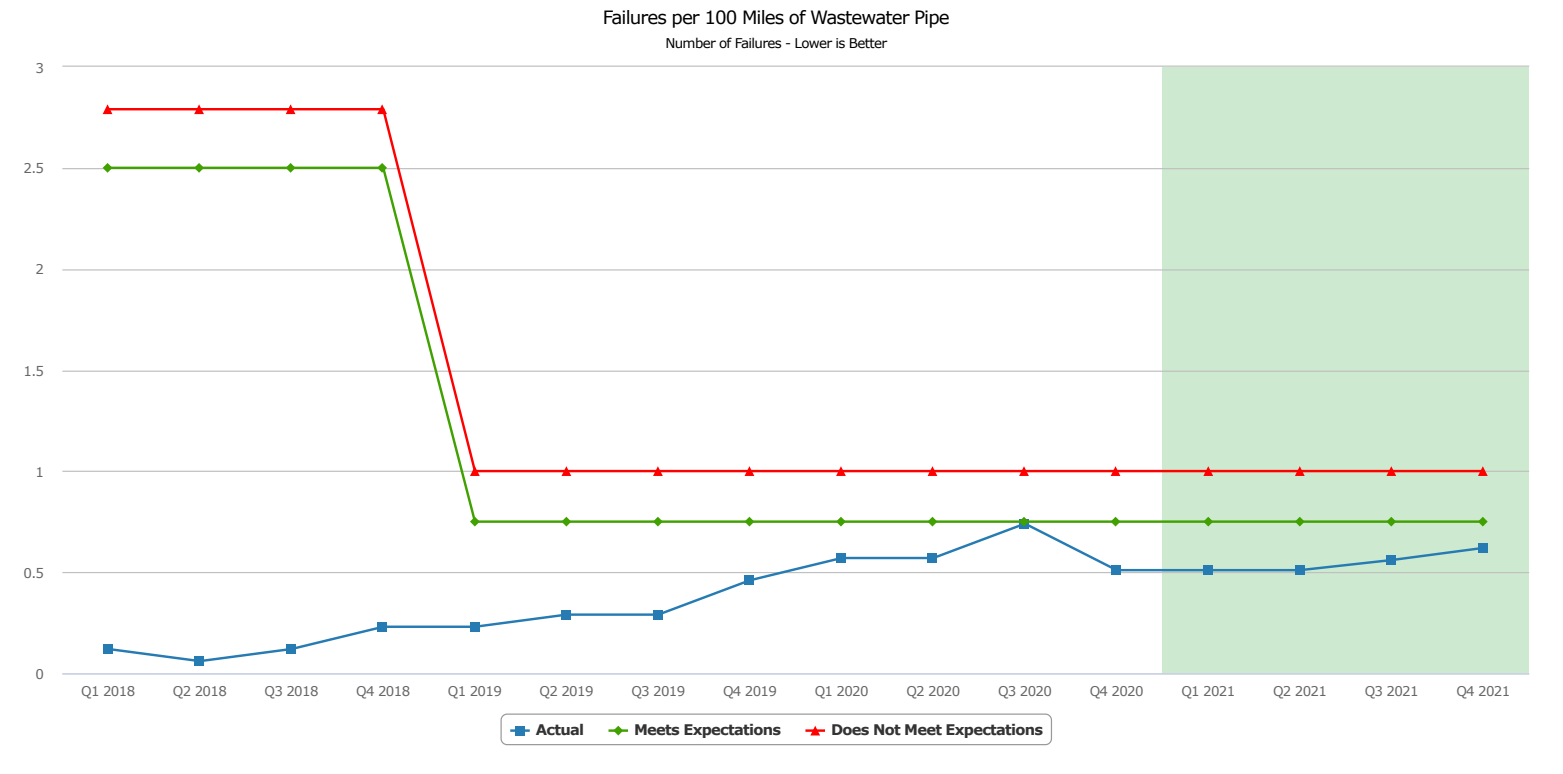
Reported as: 12 month rolling average

Target Range: 0.75 - 0.51 (failures per 100 miles of pipe)

MEASURE PERFORMANCE

The 2021 year-end result is 0.62 failures per 100 miles of pipe.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- There were two failure events leading to non-reportable sanitary sewer overflows (SSOs) in Q4 2021. One was caused by the Middle Tributary lift station pipe failure and the second was a residential back-up caused by joint roots entering a private service line. In calendar year 2021 there were a total of 11 failure events counted in the measure.

3 C3a Infrastructure Coordination with City

Measure Status: Meets Expectations

MEASURE DESCRIPTION

Strategic Objective Supported: Support the Community

Reported as: Cumulative Year-to-Date

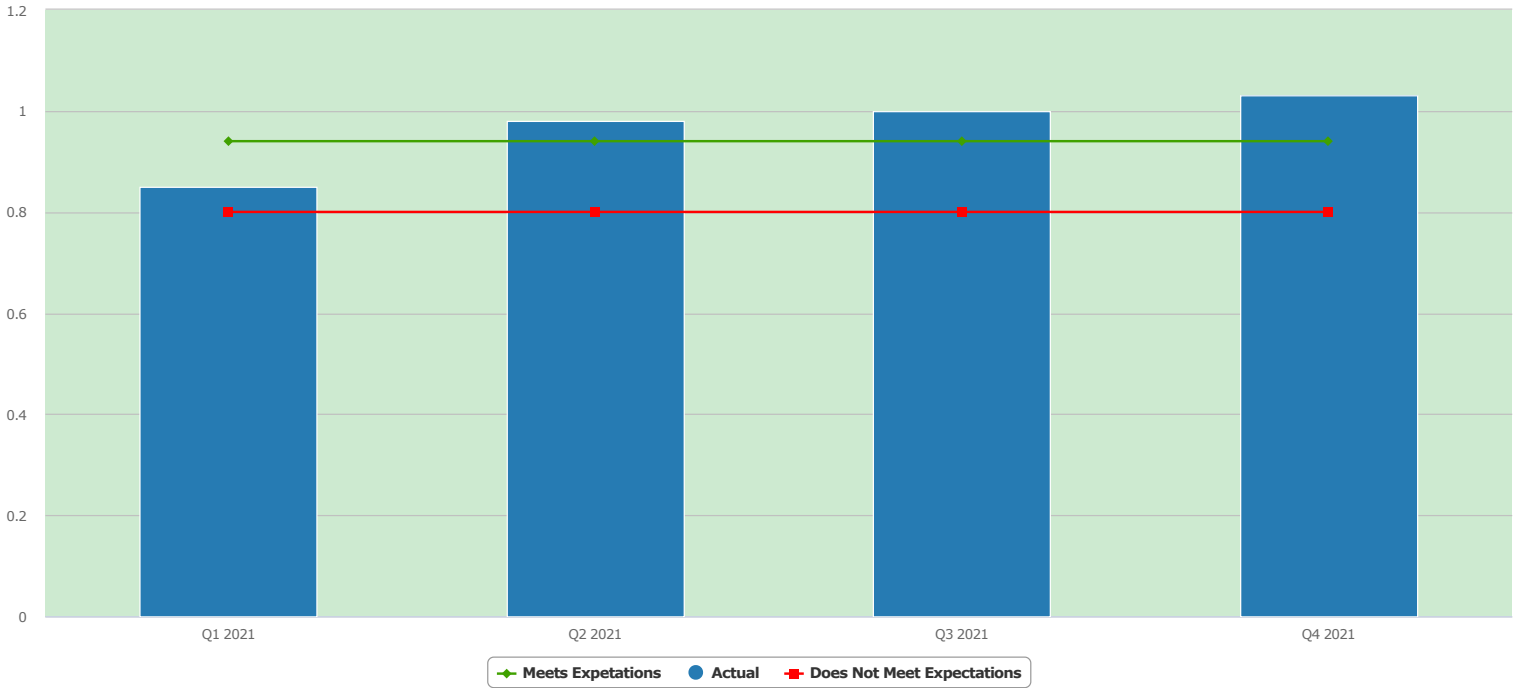
Target Range: 0.94 - 1.06 (composite score)

MEASURE PERFORMANCE

The 2021 year-end result is 1.03.

MEASURE CHART(S)

Infrastructure Coordination with City
Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- The forecasted cumulative spend through the fourth quarter of 2021 was \$12.2 million with an actual cumulative spend of \$13.6 million.
- During 2021, the Finished Water Linear Asset Program (FWLAP) planned 122 projects and completed 125 projects (102%); the Sanitary Sewer Creek Crossing (SSCC) Program had five projects planned with 5 projects completed in 2021; and the Public Improvements Program (PIP) had 6 projects planned with 6 on time or ahead of schedule.
- During Q4 2021, one previously paved 2C city streets under moratorium was cut for a planned Utilities project.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

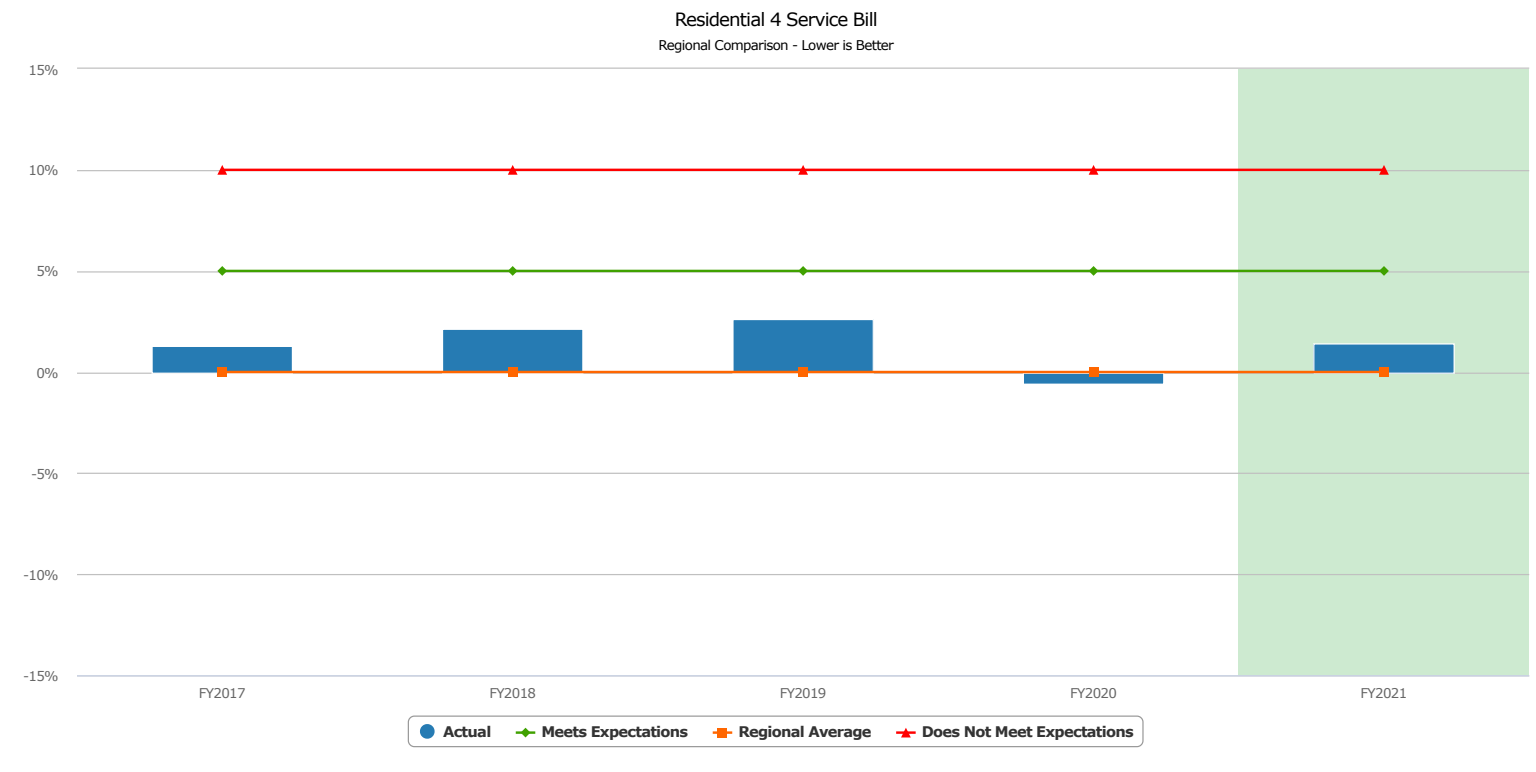
Reported as: Average combined bill

Target Range: +/- 5.0% of regional average

MEASURE PERFORMANCE

The 2021 year-end result is 1.41% higher than regional average.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

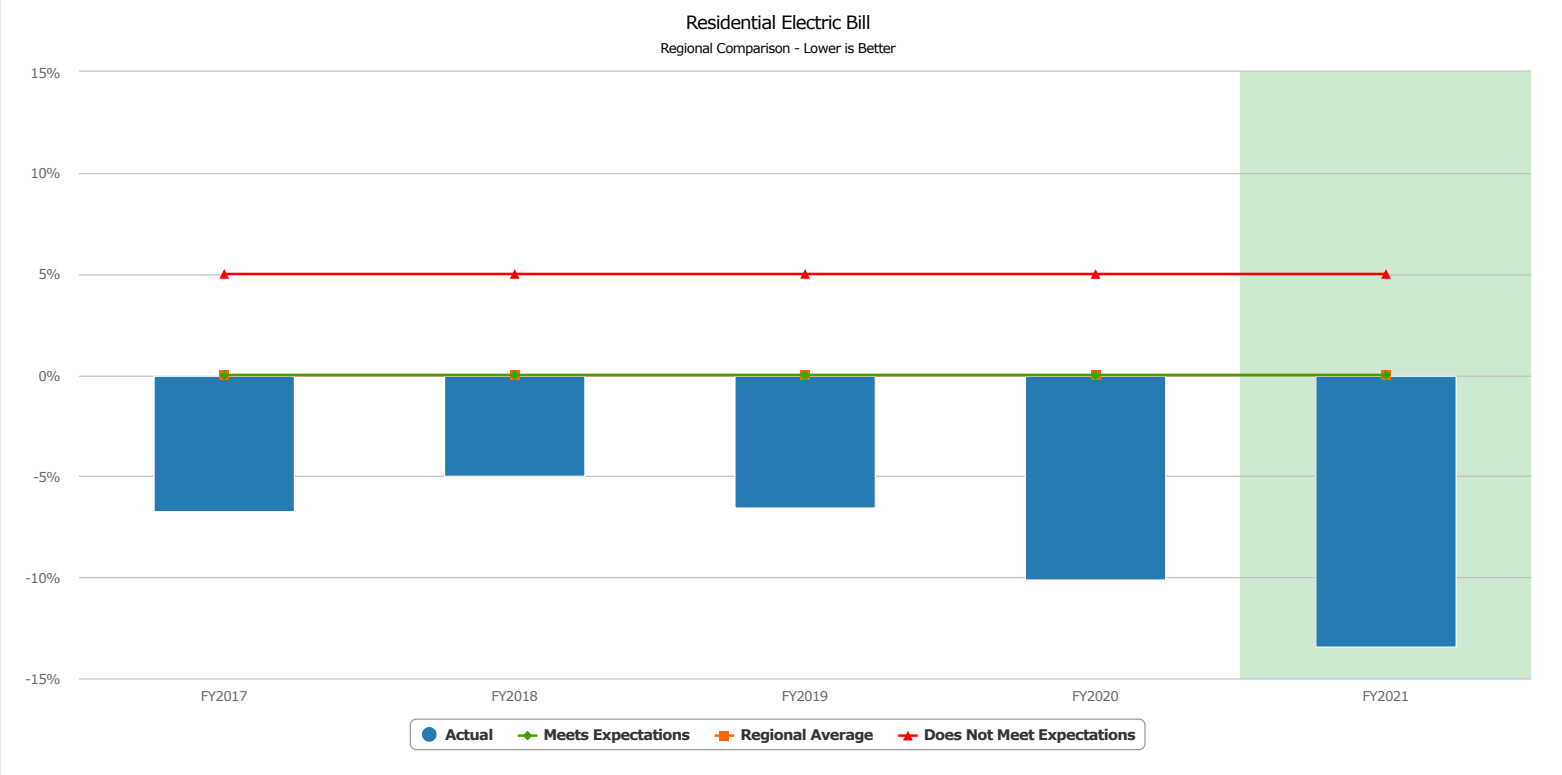
Reported as: Average electric bill

Target Range: 0.0 to 10.0% lower than regional average

MEASURE PERFORMANCE

The 2021 year-end result is 13.46% lower than regional average.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

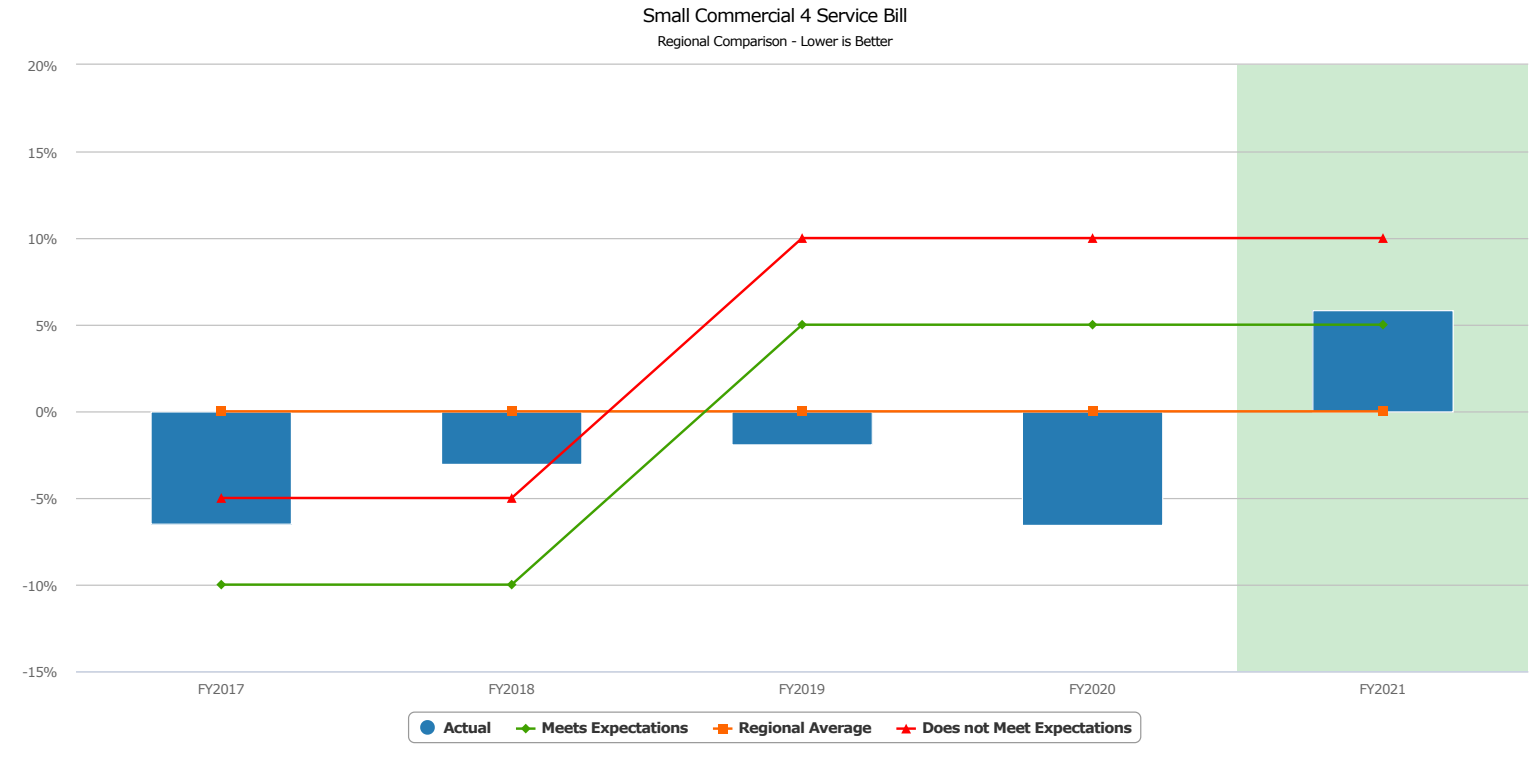
Reported as: Average combined bill

Target Range: +/- 5.0% of regional average

MEASURE PERFORMANCE

The 2021 year-end result is 5.88% higher than regional average.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

The increase, above regional average, is due to the January 2021 gas cost adjustment (GCA) in the gas service. The average GCA in 2020 was \$0.1317 per Ccf (Jan and Jul) and increased to \$0.2426 in November 2020 and was that price on Jan. 1, 2021. This was an increase of 84% which had a bill impact of 60%.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

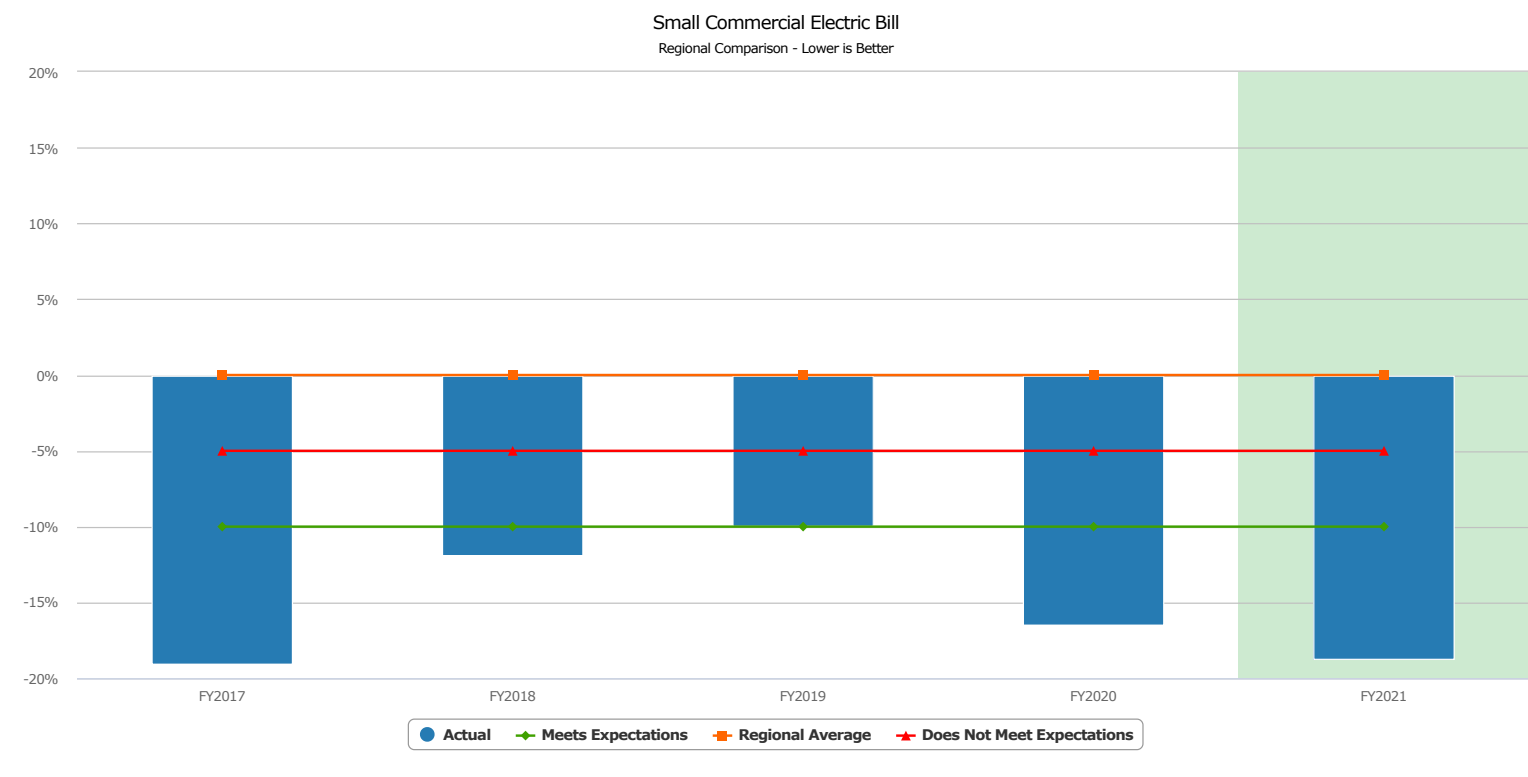
Reported as: Average electric bill

Target Range: 10.0 to 19.9% lower than regional average

MEASURE PERFORMANCE

The 2021 year-end result is 18.69% lower than regional average.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

Reported as: Average combined bill

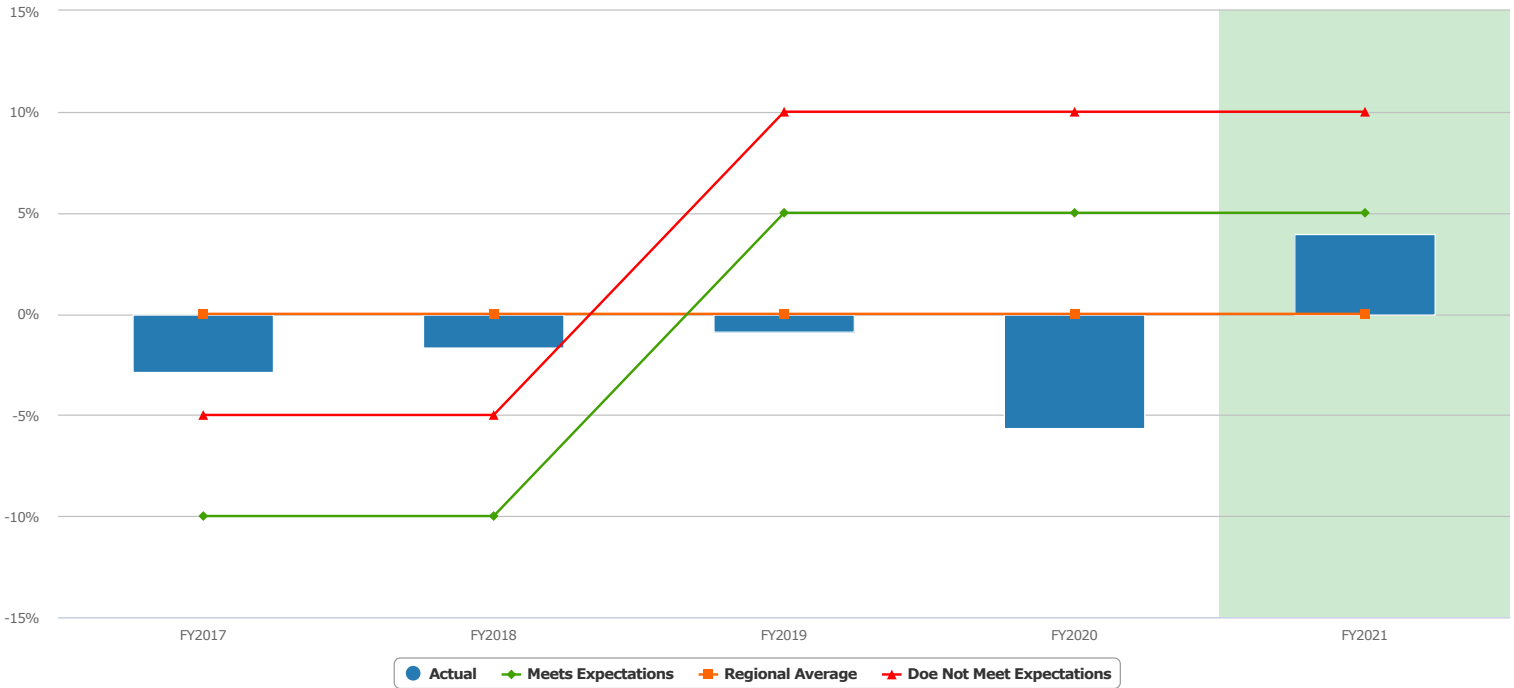
Target Range: +/- 5.0% of regional average

MEASURE PERFORMANCE

The 2021 year-end result is 3.95% higher than regional average.

MEASURE CHART(S)

Large Commercial/Industrial 4 Service Bill
Regional Comparison - Lower is Better



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

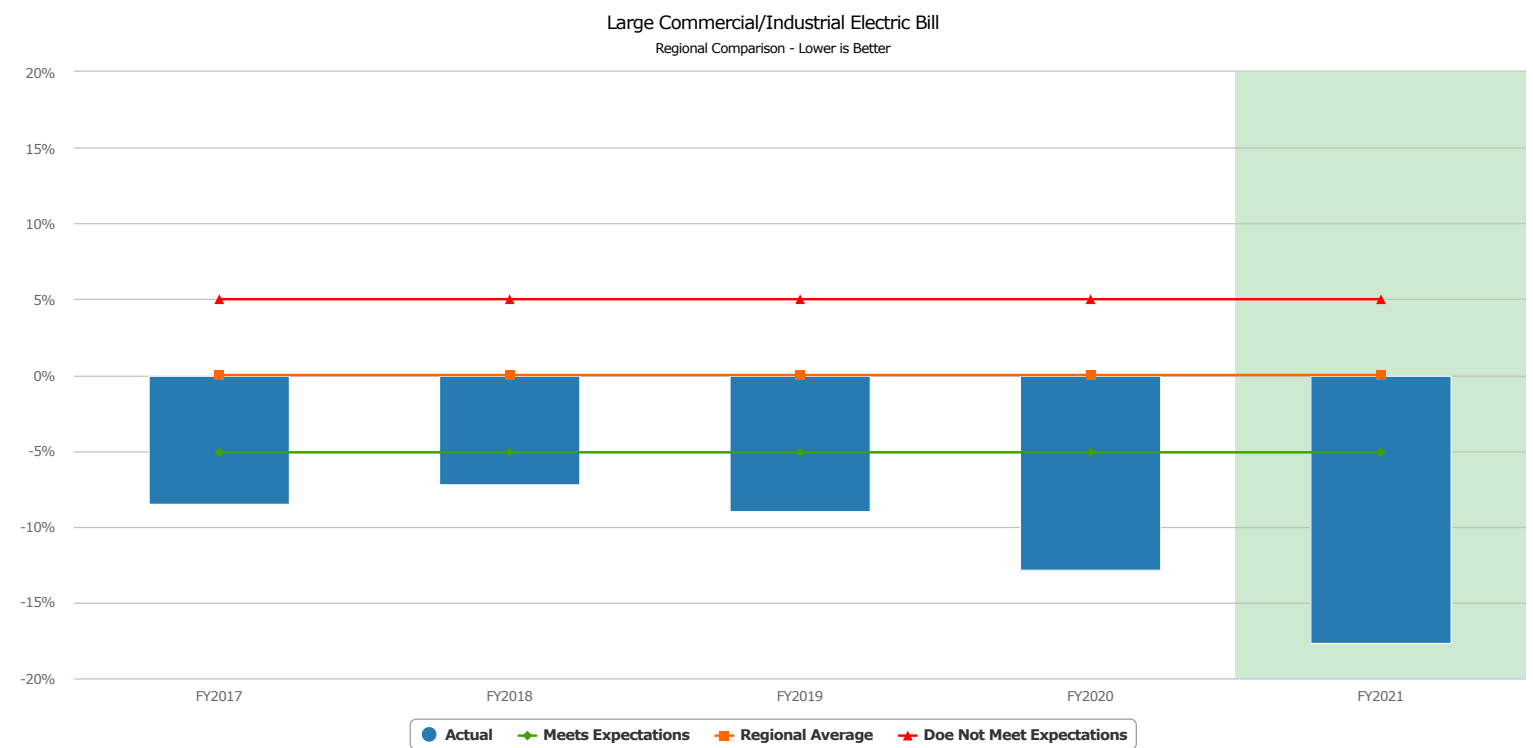
Reported as: Average electric bill

Target Range: 5.1 to 15.0% lower than regional average

MEASURE PERFORMANCE

The 2021 year-end result is 17.65% lower than regional average.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

Reported as: Average electric bill

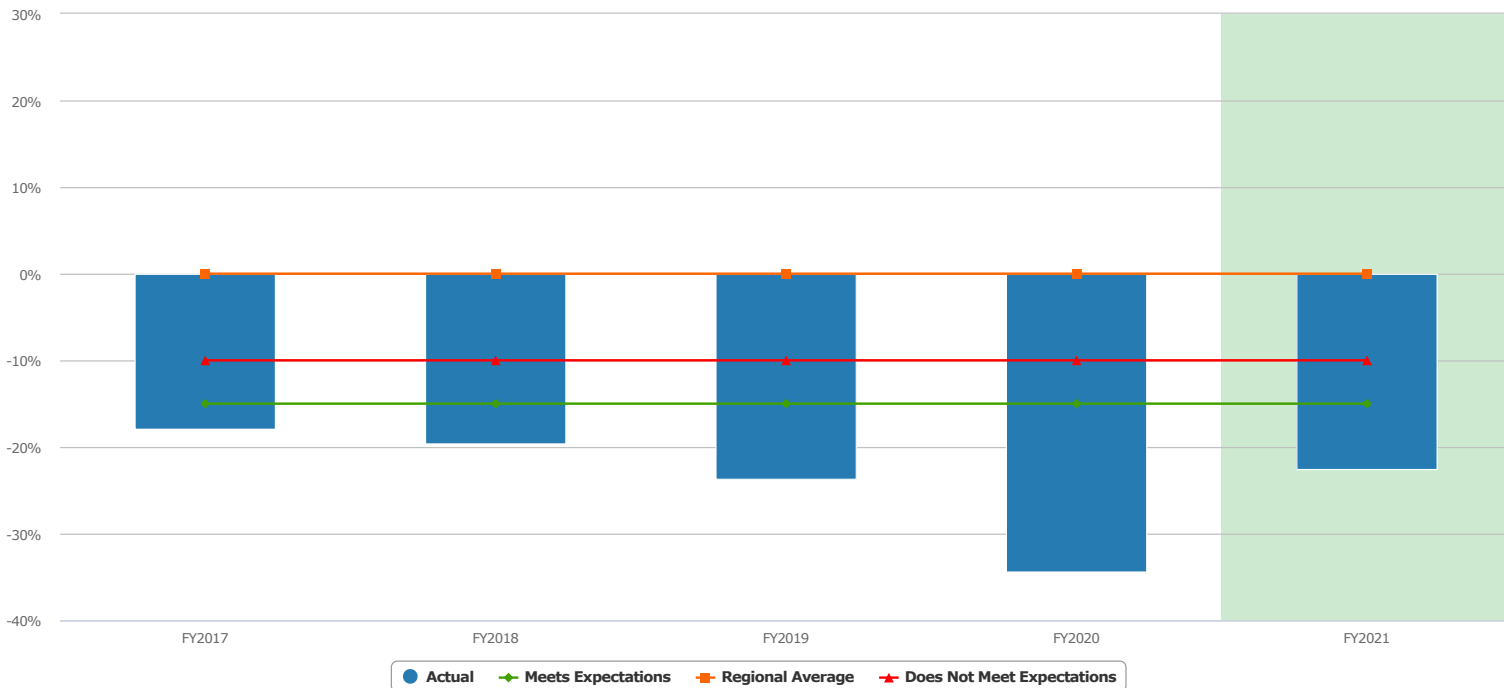
Target Range: 15.0 to 24.9% lower than regional average

MEASURE PERFORMANCE

The 2021 year-end result is 22.47% lower than regional average.

MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill
Regional Comparison - Lower is Better



PERFORMANCE ANALYSIS

Only January comparison results were used. July results were not included because Colorado Springs Utilities' fuel cost increases due to winter storm Uri were in effect for the July bill comparison. Other regional utilities did not increase their fuel rates due to the storm until after the July comparison. This was a timing aberration that caused a skewed result for the July bill comparisons.

MEASURE DESCRIPTION

Strategic Objective Supported: Keep Bills Competitive

Reported as: Average electric bill

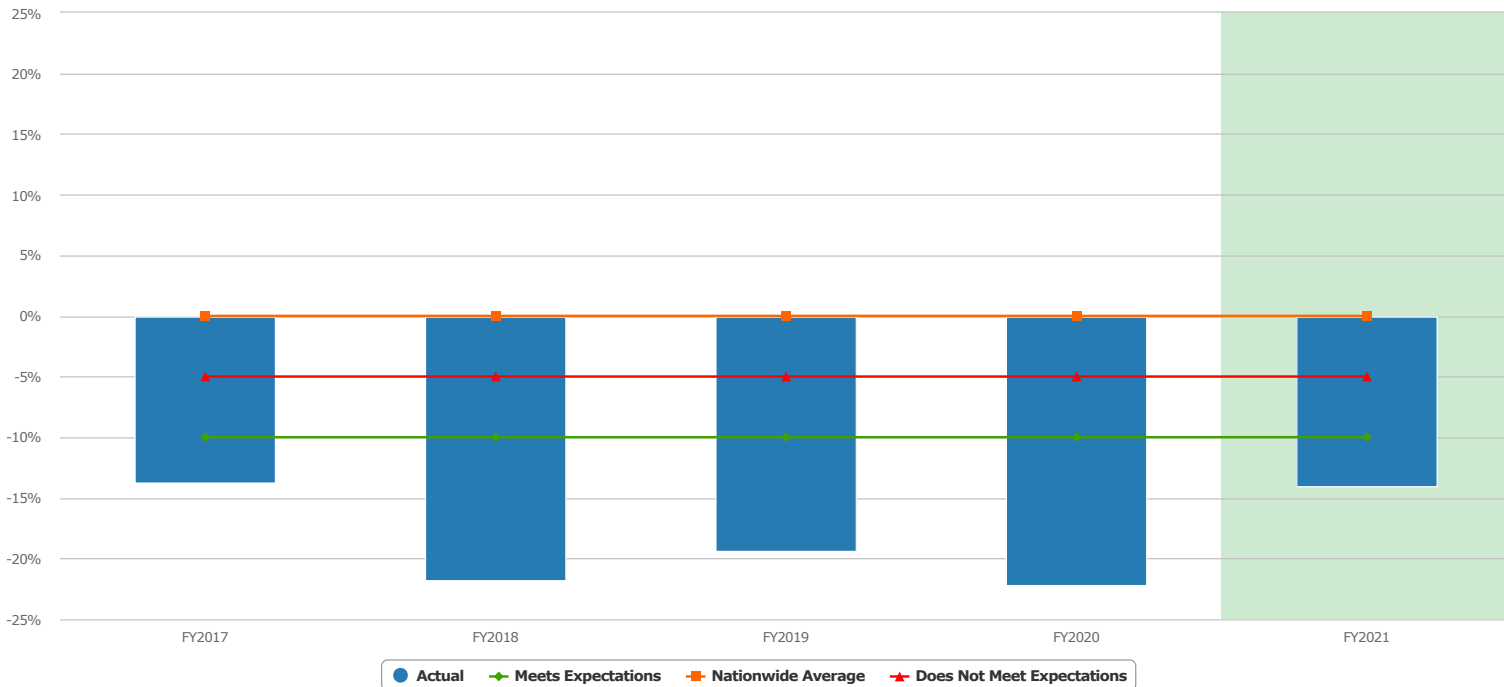
Target Range: 10.0 to 19.9% lower than national average

MEASURE PERFORMANCE

The 2021 result is 14.08% lower than regional average.

MEASURE CHART(S)

Industrial Electric-Intensive Customer Bill
Nationwide Comparison - Lower is Better



PERFORMANCE ANALYSIS

The Lincoln Electric System nationwide survey which results for Indust Electric-intensive Cust Bill - Nationwide Comparison and Customer Satisfaction - Business were based on in the past has been discontinued. Therefore the result for 2021 was based on the the Lincoln Electric System large light and power industrial regional survey.

MEASURE DESCRIPTION

Strategic Objective Supported: Build Financial Strength

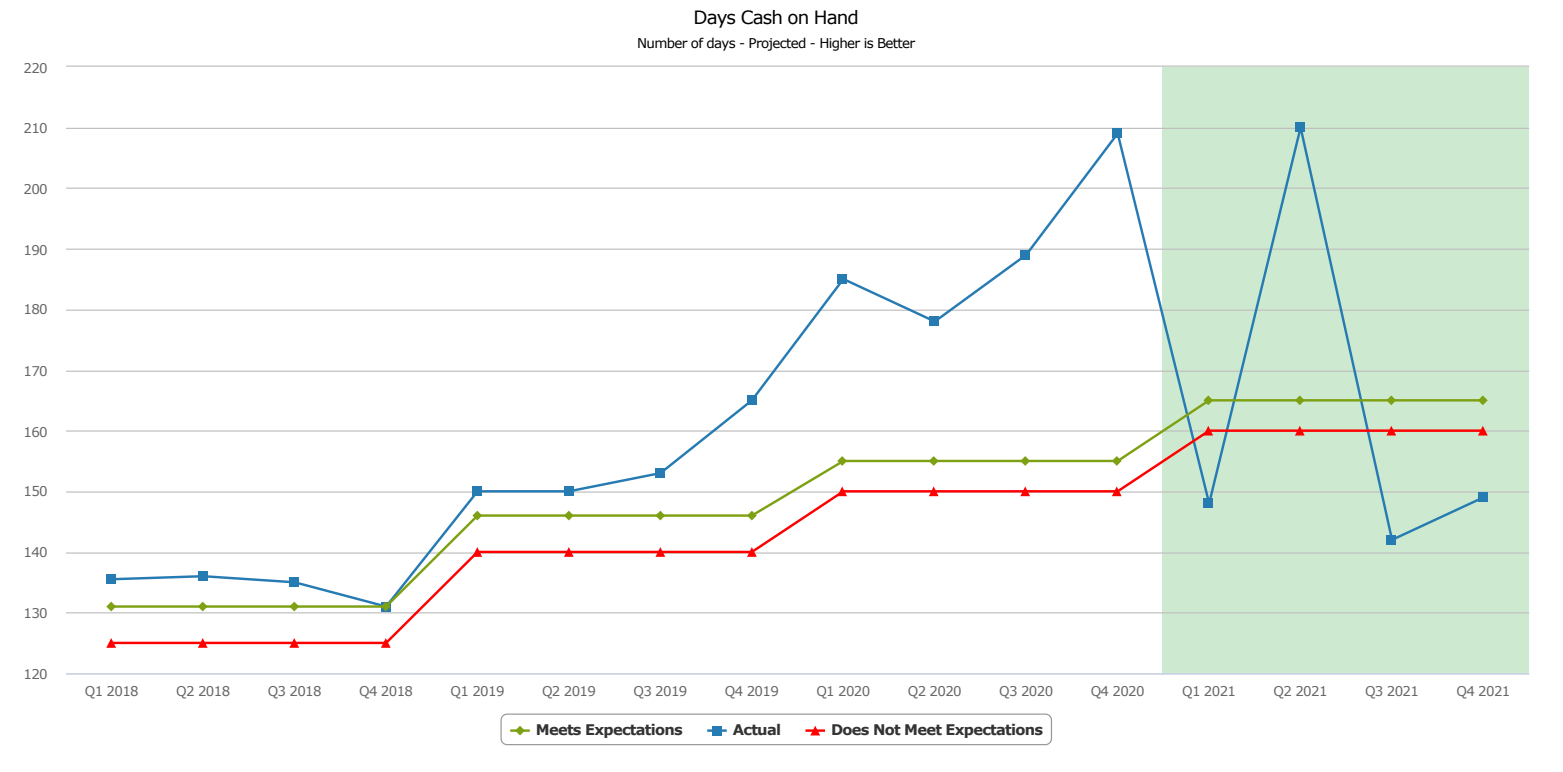
Reported as: year-end projection of actual result plus forecast

Target Range: 165 - 175 (days cash on hand)

MEASURE PERFORMANCE

The preliminary 2021 year-end result is 149 days.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The year-end 2021 Days Cash on Hand Metric is 149 days, when including the natural gas expenses associated with the February winter storm Uri and increased fuel recovery revenues from ECA and GCA rate actions.
- If the cost and revenue from this storm are excluded, the metric is projected at 215 days, as of year-end 2021.

MEASURE DESCRIPTION

Strategic Objective Supported: Build Financial Strength

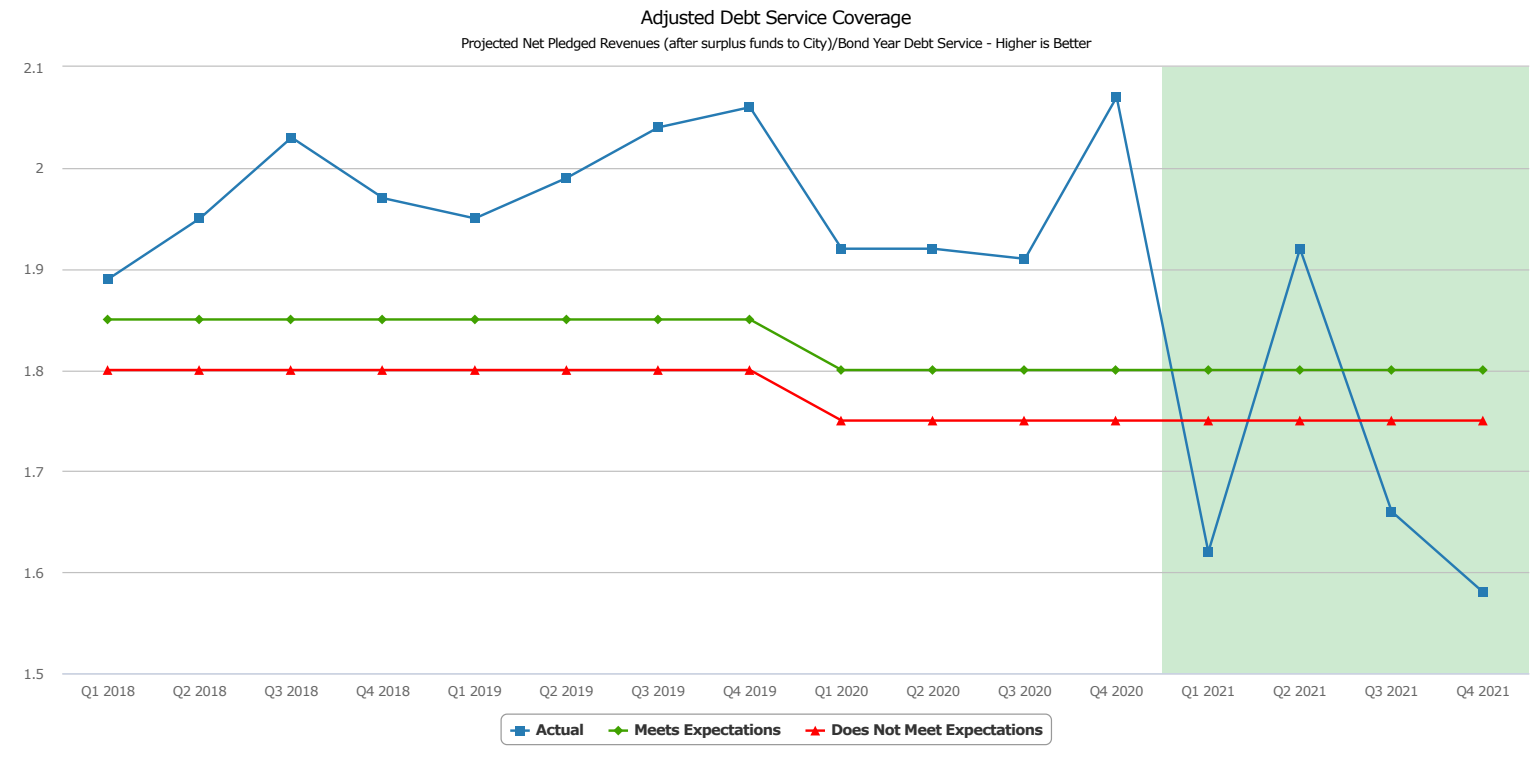
Reported as: Year-end projection of actual results plus forecast

Target Range: 1.80 - 1.90 times

MEASURE PERFORMANCE

The 2021 year-end result is 1.58 times.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The year-end 2021 Adjusted Debt Service Coverage ratio is 1.58, when including the natural gas expenses associated with the February winter storm Uri and increased fuel recovery revenues from ECA and GCA rate actions.
- If the cost and revenue from this storm are excluded, the ratio is projected at 1.86 as of year-end 2021.

MEASURE DESCRIPTION

Strategic Objective Supported: Build Financial Strength

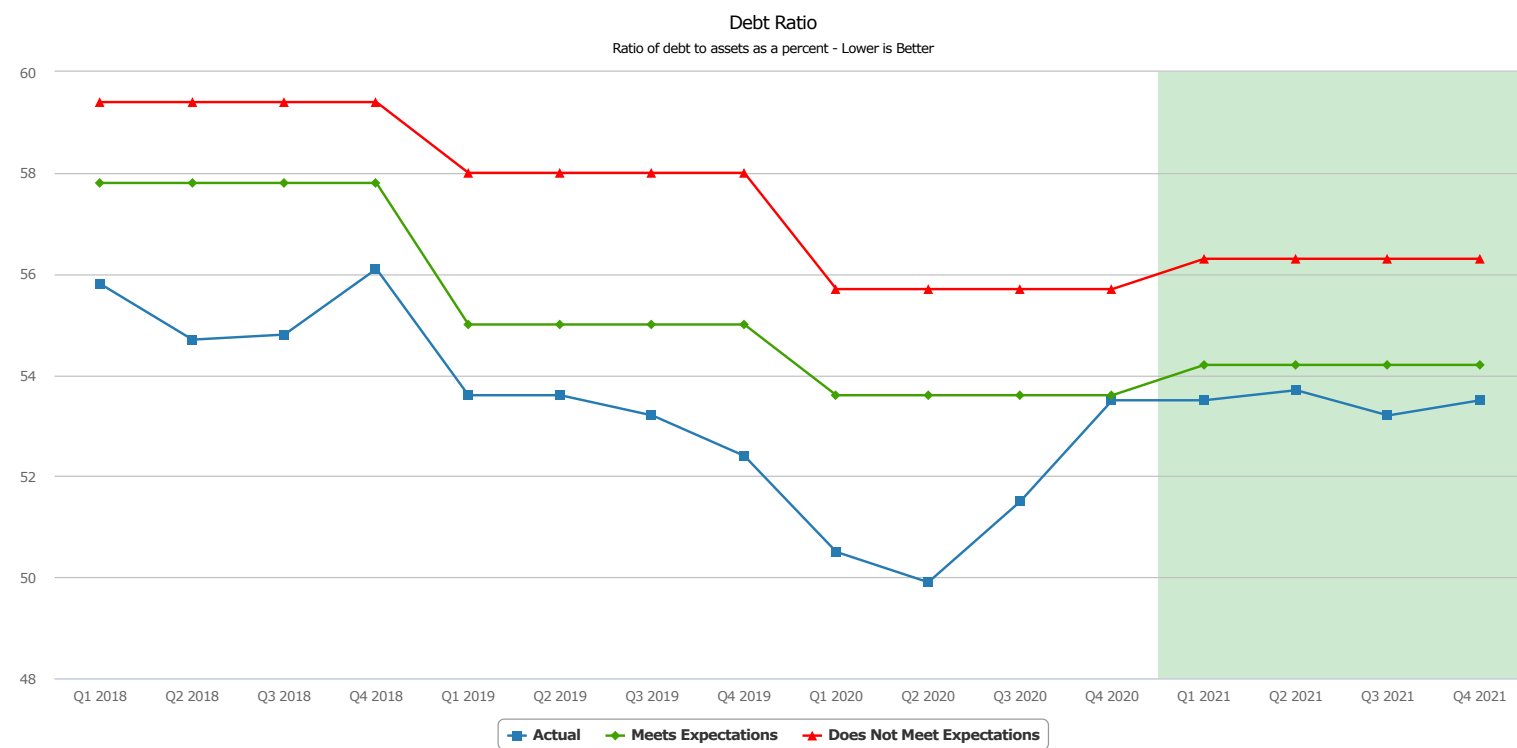
Reported as: year-to-date actual result

Target Range: 54.2 - 50.2%

MEASURE PERFORMANCE

The 2021 year-end result is 53.5%.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

No significant variance to AOPF.

MEASURE DESCRIPTION

Strategic Objective Supported: Build Financial Strength

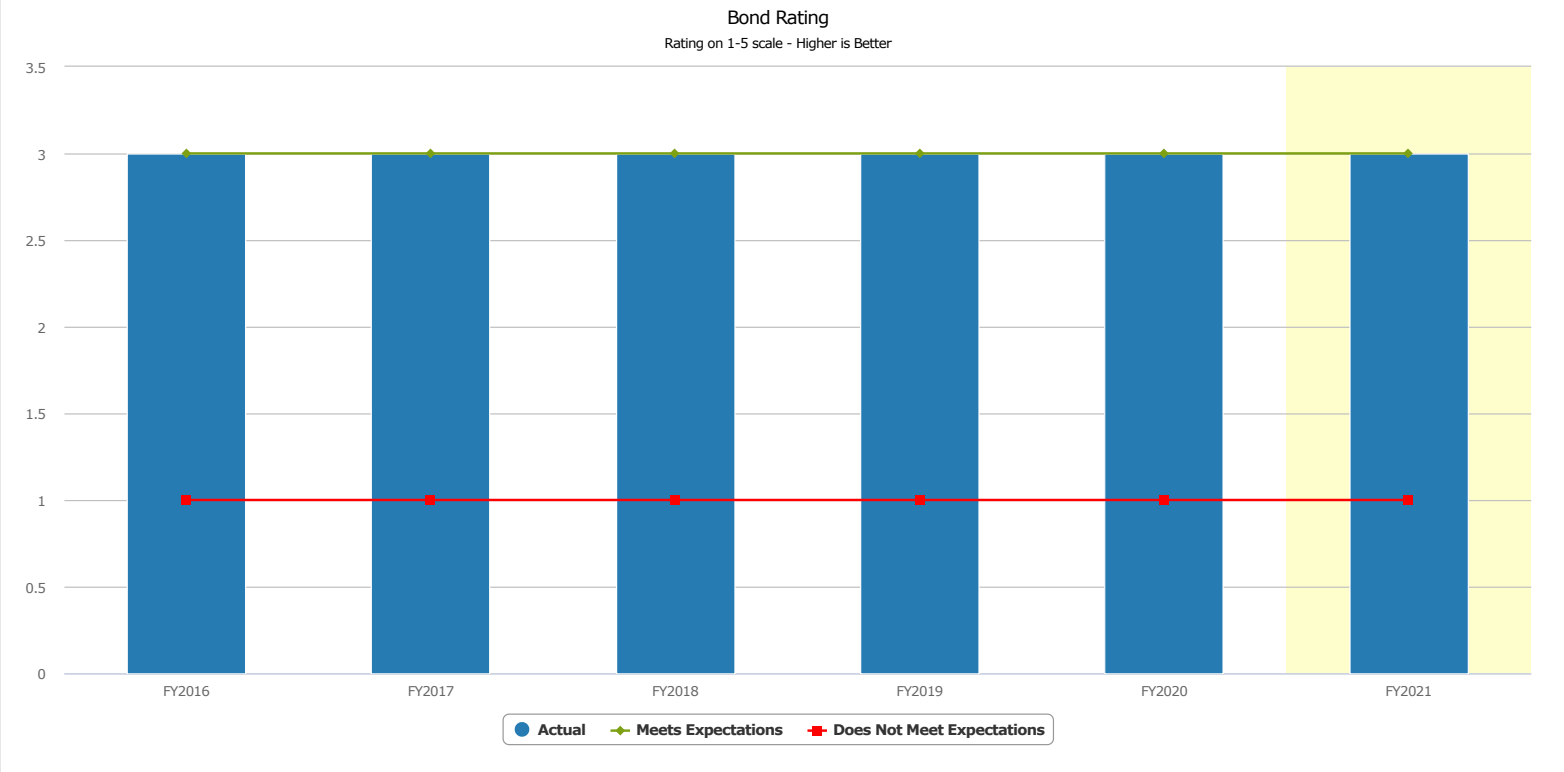
Reported as: Standard & Poor's, Moody's Investors Service, and Fitch Ratings

Target Range: 3 agencies AA or 2 Agencies AA and 1 agency AA+

MEASURE PERFORMANCE

The 2021 year-end result is Standard & Poor's (AA+), Moody's (Aa2), and Fitch Ratings (AA), respectively.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The long-term credit rating remains unchanged from the previous quarter for Standard and Poor's and Moody's.
- In 2020, Colorado Springs Utilities made the business decision to no longer seek ratings coverage from Fitch Ratings. However, Fitch Ratings has reaffirmed AA stand-alone credit ratings on all previously issued, still outstanding, Utilities issuances; thereby remaining unchanged from the previous quarter.

MEASURE DESCRIPTION

Strategic Objective Supported: Optimize Operations and Infrastructure

Reported as: Cumulative year-to-date

Target Range: 0.97 - 1.03 (composite score)

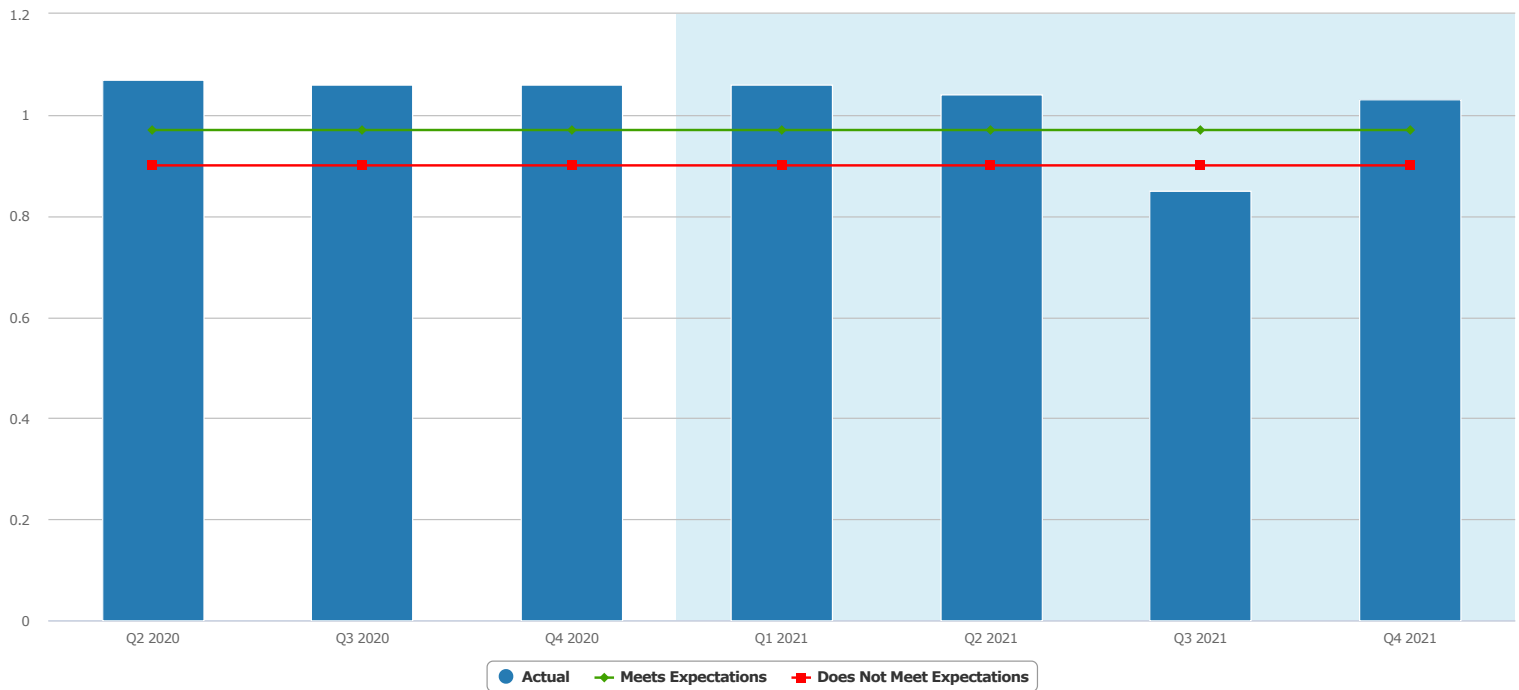
MEASURE PERFORMANCE

The 2021 year-end result is 1.03.

MEASURE CHART(S)

Advanced Metering Infrastructure Implementation

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- All deployment activities (exchanges) have been stopped as a result of L+G's inability to cure the defects identified in the Sept. 22, 2021 notice of default.
- All payments regarding AMI have been stopped as a result of the Sept. 22, 2021 notice of default.

MEASURE DESCRIPTION

Strategic Objective Supported: Plan, Build and Maintain Assets and Infrastructure

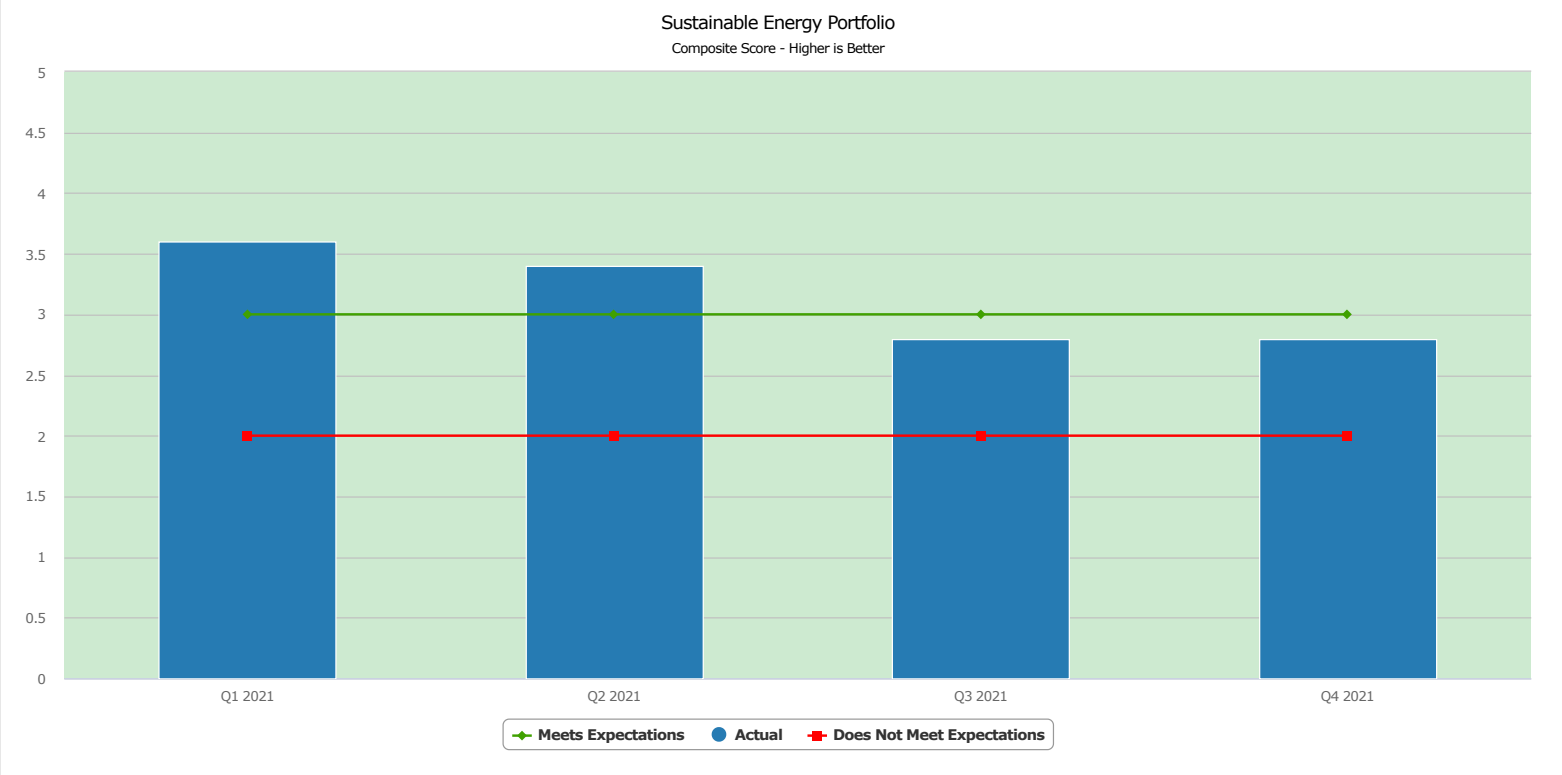
Reported as: Cumulative year-to-date

Target Range: 3.0 - 3.9 (composite score)

MEASURE PERFORMANCE

The 2021 year-end result is 2.8.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- There were four milestones initially planned for Q4. Only one of the milestones was successfully achieved. This scores a 0.25. The schedule performance rating is 1, which translates to "Does Not Meet Expectations."
- The reason for the missed milestones was a result of new direction provided by leadership and alignment to the construction schedule. In early 2021, the SEP portfolio was asked to delay the Kelker Substation project to shift budget out of 2021 and 2022 to support balancing the organization's overall budget. This shift caused other projects within the portfolio to shift, resulting in a new approved baseline schedule for all of the projects. The team is on track to meet the new approved schedule and are managing the projects in line with leadership direction.
- The portfolio actual expenditures for Q4 were \$42.5 million compared to a forecasted spend of \$40.6 million. This scores a 0.96. The budget performance rating is 4, which translates to "Exceeds Expectations."
- The overall score was calculated by weighting Budget Performance at 60% and Schedule Performance at 40%.
- Total Score: $(60\% \times 4) + (40\% \times 1) = 2.8$, "Partially Meets Expectations."

MEASURE DESCRIPTION

Strategic Objective Supported: Plan, Build and Maintain Assets and Infrastructure

Reported as: cumulative year-to-date

Target Range: 3.0 - 3.9 (composite score)

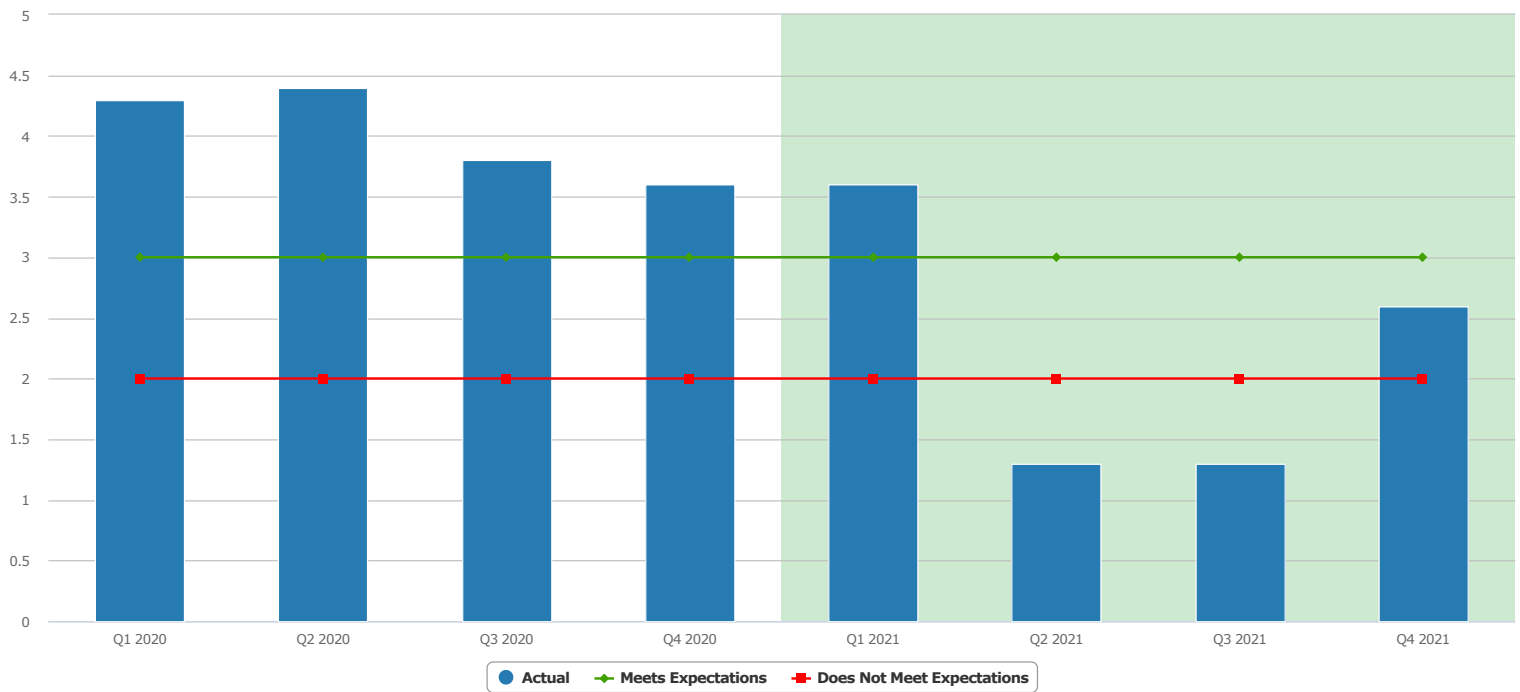
MEASURE PERFORMANCE

The 2021 year-end result is 2.6.

MEASURE CHART(S)

Distribution Integrity Management Program and Compliance Projects Implementation

Composite Score - Higher is Better



PERFORMANCE ANALYSIS

- Final schedule performance for 2021: 233 projects completed / 271 planned projects = 0.86 variance, which yields a score of 2.
- Final budget performance for 2021: \$7,776,466 actual / \$8,043,357 forecasted = 0.97 variance, which yields a score of 4.
- Final Score for 2021 = $0.7 \times 2 + 0.3 \times 4 = 2.6$, "Partially Meets Expectations."
- Significant effort was committed to individual service renewals and gas condition assessments during the Q4 of 2021 to make up project counts that were behind earlier in the year.
- Spike in new development and customer service requests diverted DIMP construction resources and impacted some planned progress.
- Additionally, all "projects" were weighted equally within the metric which was not accurate when considering level of effort and impact per project across multiple programs of work. Examples included:
 - Individual service renewal (1 service line to a house) was considered equal to a full block of renewals (200 service lines and main line replacement) in 2021 rubric.
 - Individual service renewal (1 day's work) was considered equal to a risk model software implementation (major project).

MEASURE DESCRIPTION

Strategic Objective Supported: Attract, Develop and Retain a Skilled and Diverse Workforce

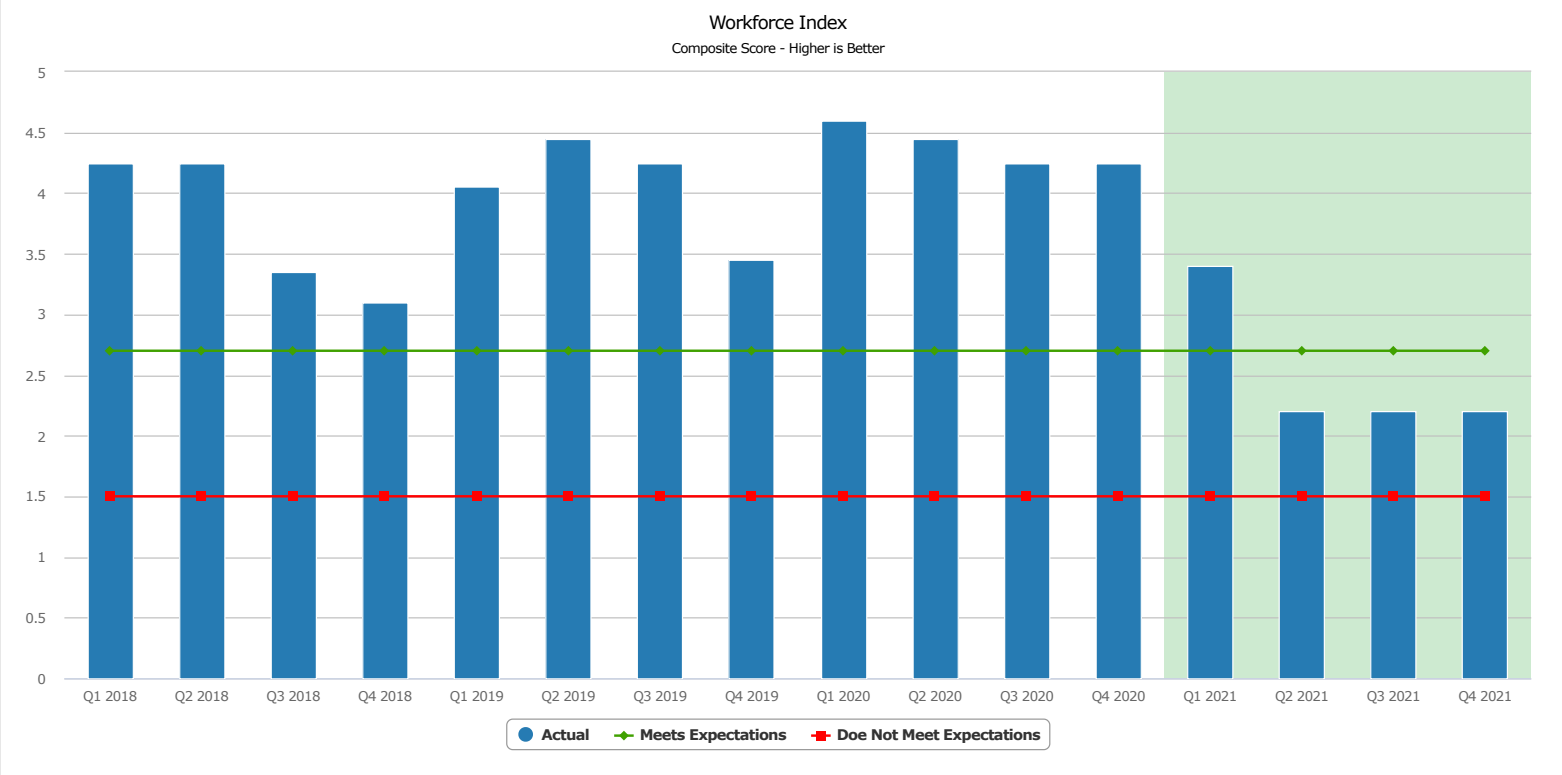
Reported as: Year-to-date

Target range: 2.70 – 3.49 (composite score)

MEASURE PERFORMANCE

The 2021 year-end result is 2.20.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- The overall workforce index is comprised of three components: Quality of hire for new hires, voluntary separations/non-retirements, and compliance with mandatory and required training.
- Voluntary separations/non-retirements, which is weighted at 40% of the overall workforce index received a rating of 1, "Does Not Meet Expectations". This is primarily due to the rate of voluntary separations which was 7.99%. The target rate for this component of the metric is 3.46% - 3.96%. A voluntary separation rate greater than 4.47% "Does Not Meet Expectations".
- While Colorado Springs Utilities experienced an increase in voluntary separations during Q2, Q3 and Q4, involuntary separations have decreased during the past two years. Overall turnover from 2017–2020 has ranged from 7.4% to 9.5%. The enterprise turnover rate for 2021 is 13.7%. However, Colorado Springs Utilities continues to experience lower than average turnover in comparison with other employers. According to the Employers Council, the turnover rate across Colorado in 2020 was 20.6% with higher turnover of 23.4% in Colorado Springs and 13.8% for the utilities/transit/communications sector and 14.5% for government (Without Utilities).

MEASURE DESCRIPTION

Strategic Objective Supported: Ensure Employee, Contractor and Public Safety

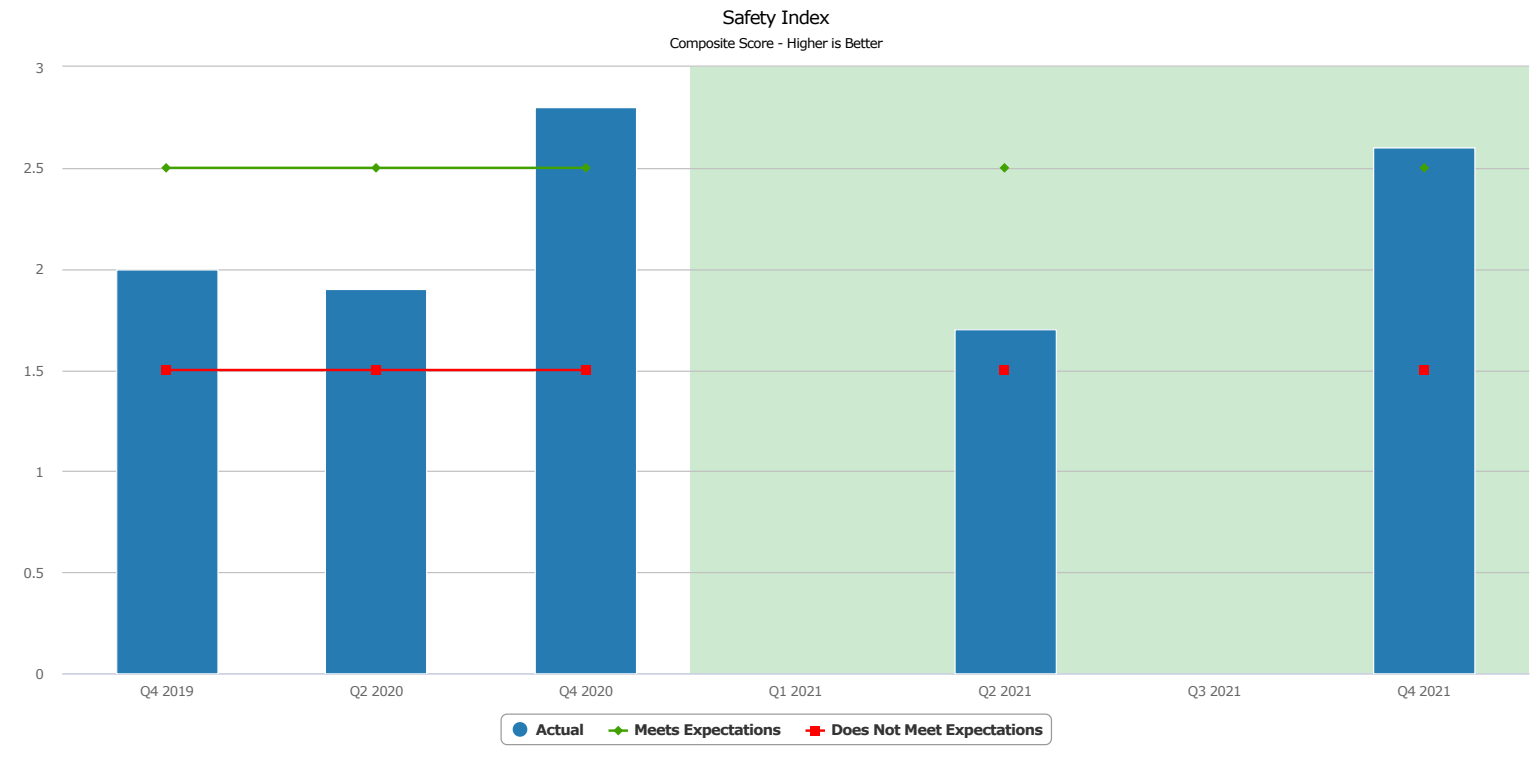
Reported as: Year-to-date composite score

Target Range: 2.50 - 3.49 Composite Score

MEASURE PERFORMANCE

The 2021 year-end result is 2.60.

MEASURE CHART(S)



The Safety Index is comprised of three elements:

1) Preventable Incidents (Weight 50%) - Partially Meets Expectations (2)

- The preventable incidents and the Motor Vehicle Accidents (MVA) numbers the same 2021 Q3/Q4 compared to 2020 Q1/Q2.
- | | 21Q1 & 21Q2 | 21Q3 & 21Q4 |
|------------------------|-------------|-------------|
| Injury / Illness | 36 | 39 |
| Motor Vehicle Accident | 24 | 21 |
| Total | 60 | 60 |
- The most common root cause for preventable Injury/Illness incidents has been Hazard Identification (failure to identify a hazard)
 - The most common root cause for preventable MVA incidents has been Behavior (eyes not on road, following to close, or spatial misjudgment)

2) Investigation Quality (Weight 40%) - Meets Expectations (3)

- End of Q3 and Q4 had more emphasis on investigations and review with S&H Leadership
- Scores rebounded Sept - Dec ranging 85-100, July score = 68 and Aug = 48

3) Medical Monitoring (Weight 10%) - Exceeds Expectations (4)

- 98.6% compliance on medical monitoring

Calculation = (preventable incidents .50 weight x 2) + (investigation quality .40 weight x 3) + (medical monitoring .10 weight x 4)

2021 Year end result = 1.0 + 1.2 + .40 = 2.6. This translates to a performance rating of "meets expectations."

MEASURE DESCRIPTION

Strategic Objective Supported: Demonstrate Environmental Stewardship

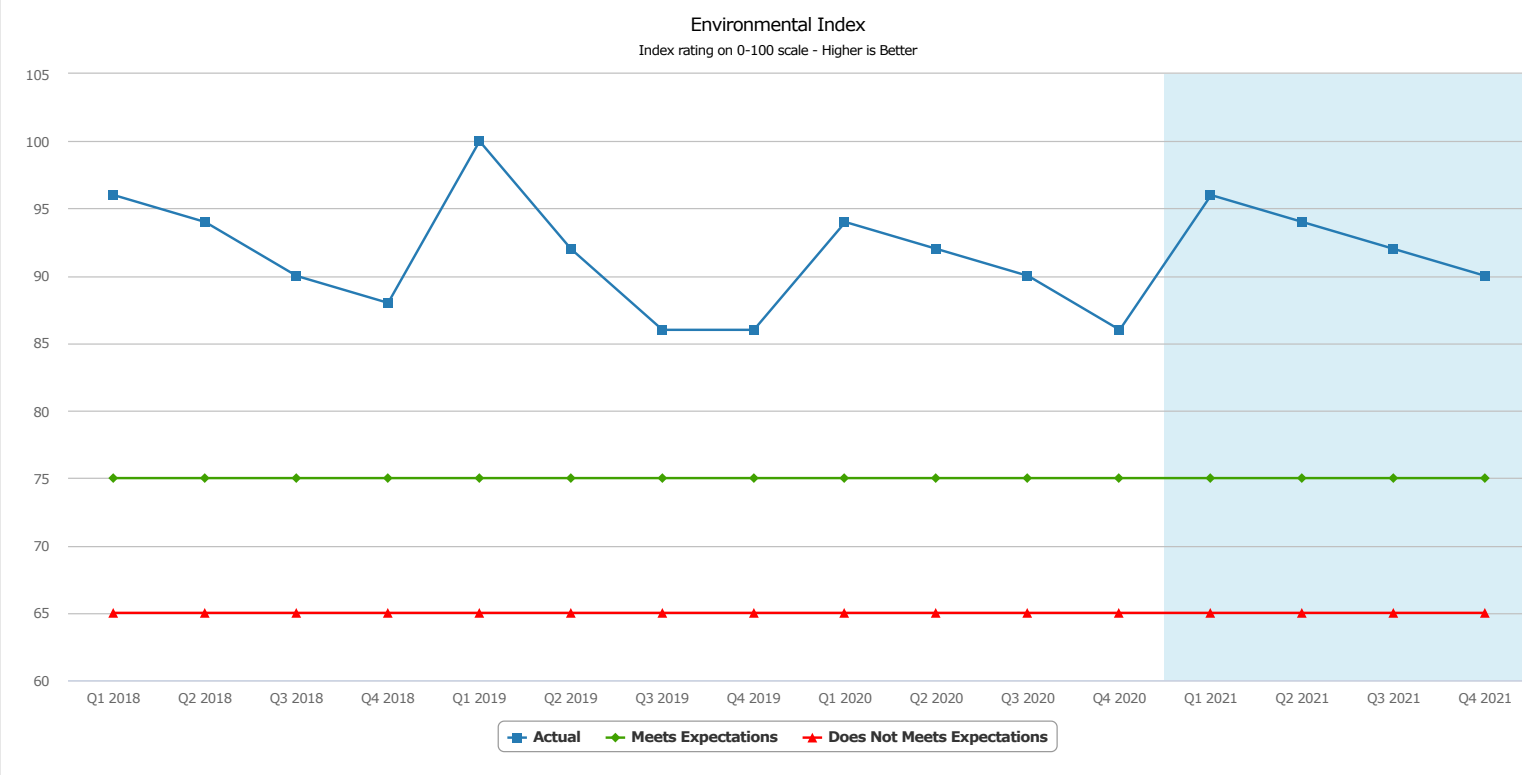
Reported as: year-to-date score

Target range: 75.00 – 85.99 (environmental rating scale 0 to 100)

MEASURE PERFORMANCE

The 2021 year-end result is 90 on a scale of 0 to 100.

MEASURE CHART(S)



PERFORMANCE ANALYSIS

- There were no regulatory agency inspections in the 4th quarter. Year-to-date there has been five regulatory agency inspections, all of which have been for compliance with the annual Title V Operating Permits for the power plants and the Clear Spring Ranch Solids Handling and Disposal Facility. The results of the inspections for Birdsall, Drake, and the SHDF indicated the sources were in compliance; the results of the Nixon/Front Range inspections had not yet been received by the state as of the end of 2021.
- There was one deduction to the Index in the 4th quarter in the "minor violation" category. This was the result of a release of potable water from the Mesa Water Treatment Plant's finished water recovery pond which exceeded the permit limit for pH and residual chlorine; while the release was planned, the exceedances were caused by inadvertent discharges of soda ash hopper cleanout and manganese into the recovery pond. For the year there were five deductions to the Index in the "minor violation" category.
- There were no air emissions exceedances and no reportable sanitary sewer overflows in the 4th quarter.
- For the year there were no air emissions exceedances and one reportable sanitary sewer overflow caused by residential grease.

2021 CEO Leadership Competencies Results

<u>Competency</u>	<u>Score</u>	<u>Rating</u>
Board Interaction	4.29	Exceeds Expectations
Safety	4.11	Exceeds Expectations
Leadership	3.88	Exceeds Expectations
Balances Internal/External Stakeholders	4.00	Exceeds Expectations
Cultivates Innovation & Strategic Mindset	4.41	Exceeds Expectations

Overall CEO leadership competencies result: 4.14. This translates to a performance rating of "Exceeds Expectations."



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

Jacqueline M. Rowland
City Auditor, CPA CFE PMP

22-06 Colorado Springs Utilities Board Instruction 4, Risk Management

March 2022

Purpose

The purpose of this high level review was to determine whether Colorado Springs Utilities complied with Utilities Board Instruction to the Chief Executive Officer, Policy I-4, Risk Management.

Highlights

Based on our review, we conclude that Colorado Springs Utilities and the Chief Executive Officer(CEO) were in compliance with Utilities Board Instructions to the Chief Executive Officer, Policy I-4, Risk Management (I-4) for the calendar year 2021.

The Office of the City Auditor completed our review as directed by City Council acting in its capacity as the Utilities Board. Under Governance Policy Manual, Guidelines, Organizational Oversight (E-2.3), the Office of the City Auditor is required to monitor compliance with Policy I-4, Risk Management annually.

Policy I-4 states, "The Chief Executive Officer shall direct that the enterprise maintain enterprise risk management activities that identify, assess and prudently manage a variety of risks including strategic, financial, operational, legal and hazard."

Within the I-4, the CEO is required to maintain a Risk Management Committee, operate under, and maintain an Enterprise Risk Management Plan to include Energy Risk Management, Investment, and Financial Risk Management Plans.

Our audit included a review of the Risk Management Committee materials and written policies required by I-4. We interviewed Colorado Springs Utilities personnel responsible for administering policies. Per the I-4, Utilities prepared semi-annual reports on Board Instruction compliance results. We verified the accuracy and reliability of statements made in the August 18, 2021 and February 16, 2022 reports prepared by Colorado Springs Utilities for the Utilities Board.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

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www.ColoradoSprings.gov



Date: March 16, 2022

To: Utilities Board

From: Aram Benyamin, Chief Executive Officer

Subject: **Excellence in Governance Compliance Report
Asset Protection (I-8)**

Desired Action: Monitoring

Compliance: The CEO reports compliance with the instructions

INSTRUCTIONS			
Category:	Utilities Board Instructions to the Chief Executive Officer	Reporting Timeframe:	July 1, 2021 – December 31, 2021
Policy Title (Number):	Asset Protection (I-8)	Reviewing Committee:	Finance
Monitoring Type:	Internal; City Auditor	Monitoring Frequency:	Semi-Annual; Annual

The Chief Executive Officer shall direct that enterprise assets are protected, adequately maintained, and not unnecessarily risked. Accordingly, the CEO shall:

- 1. Protect enterprise assets including, but not limited to, water rights, rights of way, physical assets, cyber assets, intellectual property, records and information from loss or significant damage.*

Plans and programs are in place that address and comply with the expectations of this policy to include, but not limited to:

	Frequency of Update	Last Updated	Planning Horizon
Cyber Security:			
Cyber Security Incident Response Plan	Every 5 years	2020	5 years

Cyber Security Vulnerability Management Program	Every 3 years	2021	Ongoing
Cyber Security (Risk Management) Framework	Every 2 years	2018 ¹	Ongoing
Security Operations:			
Physical Security Program	5 years	2016 ²	10 years
Physical Security for Rampart Dam and Reservoir and Tesla Hydro Plant	1 year	2020	Ongoing
Emergency Management:			
Emergency Operations Plan	3 years	2019	Ongoing
Emergency Continuity Plan	3 years	2019	Ongoing
Dam Emergency Action Plans	1 year	2021	Ongoing
Water Resource Recovery Facility Flood Emergency Evacuation Plans	1 year	2021	Ongoing
Facilities Management:			
Facilities Master Plan	5 years	2021	10 years
Facilities Maintenance Program	Annual	2021	10 years
Records and Information Management:			
Records Retention Program provides on-going records compliance and disposition review and support	Ongoing	2020	3 years
Water Resources Management:			
Reporting of water use in accordance with decrees, permits and agreements	Ongoing	Ongoing	Ongoing
Watershed Management Plans	Ongoing	Ongoing	Ongoing

¹Currently in the process of being updated and QBD will be in draft

²Currently in the process of being updated and estimated at 60% complete

2. *Allow real estate transactions that comply with the City of Colorado Springs Real Estate Manual.*

Colorado Springs Utilities collaborates with the Real Estate Services Office to ensure compliance with all requirements of:

- City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 which was approved by City Council by Resolution 39-21 on March 23, 2021.

3. *Only sell, dispose of or allow use of assets at fair market value, except for de minimis contributions to community-oriented organizations.*

Colorado Springs Utilities is in compliance with Colorado Springs City Code §1.5.205, which states that all sales of personal property which are obsolete and unusable shall,

except as otherwise specifically provided in this part, be based whenever possible on competitive bids.

4. *Protect the enterprise's public image and reputation.*

Colorado Springs Utilities strives to build and sustain a positive reputation through a comprehensive customer communications management program by providing timely, relevant and factual information to employees, customers, the utility industry and news media.



Date: March 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Excellence in Governance Monitoring Report**
Utilities Board/Chief Executive Officer Partnership Expectations (E-2)

Desired Action: Monitoring

EXPECTATIONS	
Category:	Utilities Board/Chief Executive Officer Partnership Expectations
Policy Number:	E: 2 (Chief Executive Officer Responsibilities)

The Utilities Board and the Chief Executive Officer work in partnership to achieve excellence in governance and operations to attain long-term organizational success and sustainability.

March 2022 Water Outlook using data as of February 28, 2022

Locally, temperatures were below average, and precipitation was above average in February. Demands were less than last year at this time.

2022 Demands: February use averaged 40.5 million gallons per day (MGD), which was about 6.9% less than last February. Year-to-date demand is averaging 40.5 MGD, which is 5% less than last year at this time. Temperatures in February were below the 30-year average at 28.8 degrees Fahrenheit, which was 4.6 degrees below normal. Year-to-date temperatures have averaged 31.6 degrees Fahrenheit, which is 1.1 degrees below normal. Total precipitation for February was 0.56 inches, which was 175% of normal. Year-to-date precipitation is 0.78 inches, which is 128% of normal.

Current Reservoir Levels: Local storage is currently at about 47,700 acre-feet (71% of capacity). The 1991-2021 average is 75% of capacity. Rampart Reservoir is at 77% of capacity and Pikes Peak storage is at 60% of capacity. System wide, total storage is about 186,500 acre-feet (72% of capacity). Last year at this time, total system wide storage was 71% of capacity. It was about 79% at this same time in 2020, about 72% of capacity in 2019, about 80% of capacity in 2018, about 78% of capacity in 2017, about 80% of capacity in 2016, about 78% of capacity in 2015, about 56% of capacity in 2014 and about 48% in 2013. The 1991-2021 average system-wide storage for the end of February is 72% of capacity.

Water Supply Outlook: Extreme drought conditions have eased slightly in eastern Colorado with cooler and wetter February weather and conditions held steady in western Colorado. The 12-week Evaporative Drought Demand Index (EDDI) still shows a dry evaporative demand across most of Colorado; persistence of this signal into spring and summer could predict deepening drought. The three-month climate outlook predicts higher chances of above-average temperatures and higher chances of below-average precipitation across Colorado. Snowpack is near average across central Colorado and below average in the Yampa/White and Arkansas River Basins. Our February yield forecasting predicts 95% of average water collection system yield. We continue to monitor snowpack, demand and storage to maximize available water supply.

Operational Notes: Total system storage is at 72% of capacity and holds about 2.6 years of demand, which is average for the end of February. Local storage contains about 236 days of demand.

Electric Cost Adjustment (ECA)

On March 23, 2021, City Council approved the ECA rate of \$0.0294 per kWh effective April 1, 2021. This adjustment was prepared to recover cost associated with the February severe weather event over 13 months (through April 2022) and was not consistent with Cost Adjustment Guidelines. Additional adjustments approved by City Council were an ECA rate of \$0.0474 per kWh effective November 1, 2021, and an ECA rate of \$0.0364 per kWh effective February 1, 2022. As of February 28, 2022, the ECA under collection balance was \$18.5 million. The under collection balance changed by \$2.0 million from the \$20.5 million under collection balance reported last month. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.

Gas Cost Adjustment (GCA)

On March 9, 2021, City Council approved the GCA rate of \$0.5477 per Ccf effective March 11, 2021. This adjustment was prepared to recover cost associated with the February severe weather event over 14 months (through April 2022) and was not consistent with Cost Adjustment Guidelines. Additional adjustments approved by City Council were a GCA rate of \$0.8130 per Ccf effective November 1, 2021 and a GCA rate of \$0.6928 per Ccf effective February 1, 2022. As of February 28, 2022, the GCA under collection balance was \$25.3 million. The under-collection balance changed by \$12.1 million from the \$37.4 million under collection balance reported last month. Colorado Springs Utilities continues to provide regular updates to the Utilities Board and will propose adjustments as appropriate.

Supply Chain

Per the February 2022 ISM Report on Business, economic activity in the manufacturing sector grew in February while the overall economy experienced its 21st consecutive month of growth. The organization is doing the following to mitigate the longer lead times and cost increase:

- Assessing and adjusting our minimum/maximum inventory levels
- Requesting our core distributors hold more inventory
- Increasing the number of approved manufacturers and distributors
- Leveraging international sources of supply
- Reaching out to other utility companies

- Leveraging co-op agreements
- Leveraging market intelligence to validate supplier price increases
- Evaluating the opportunity of leveraging standard materials vs. materials manufactured specifically for Colorado Springs Utilities
- Improving the overall accuracy of our materials reservation system
- Improving overall cycle counts to ensure a high level of accuracy



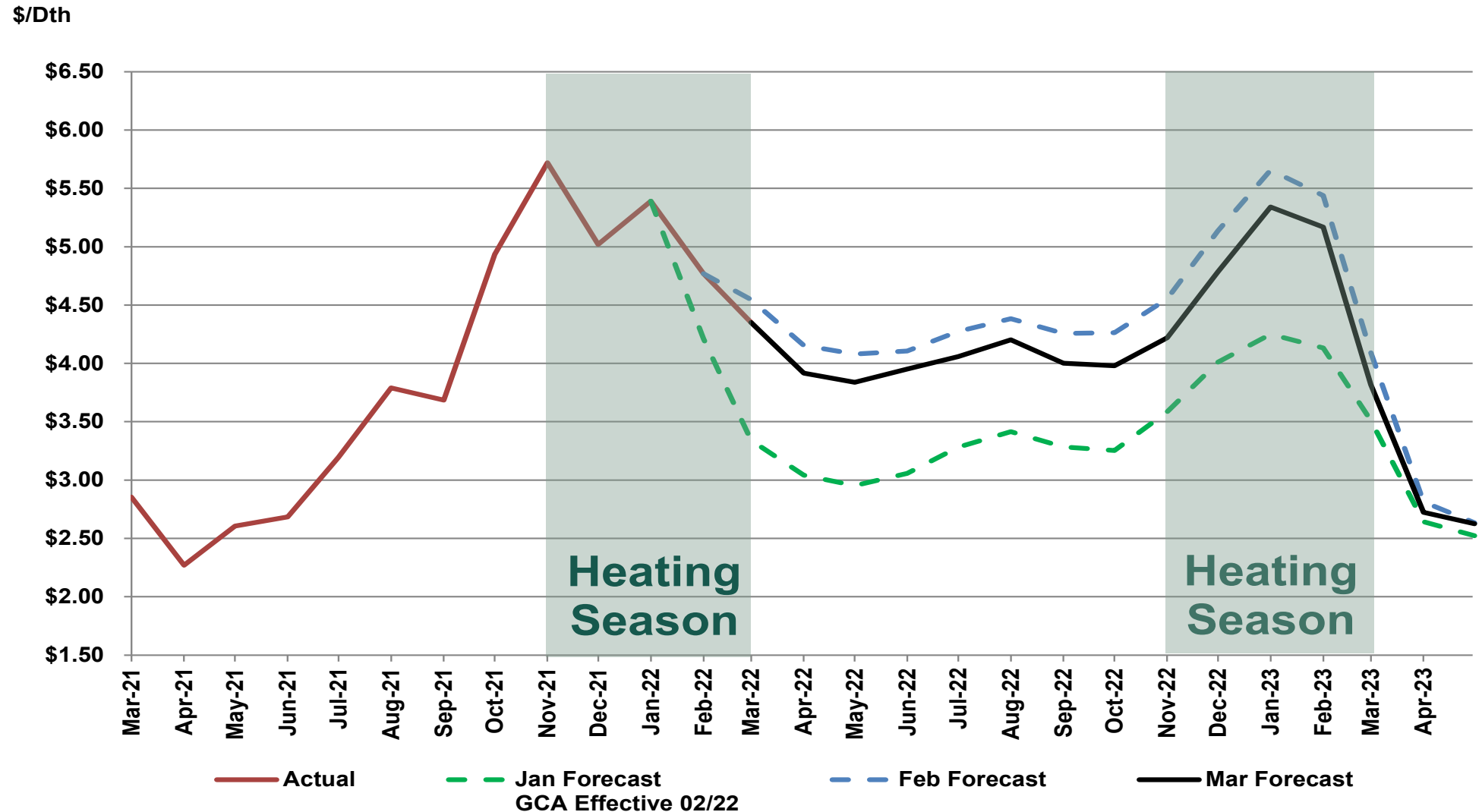
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Electric Cost Adjustment Gas Cost Adjustment

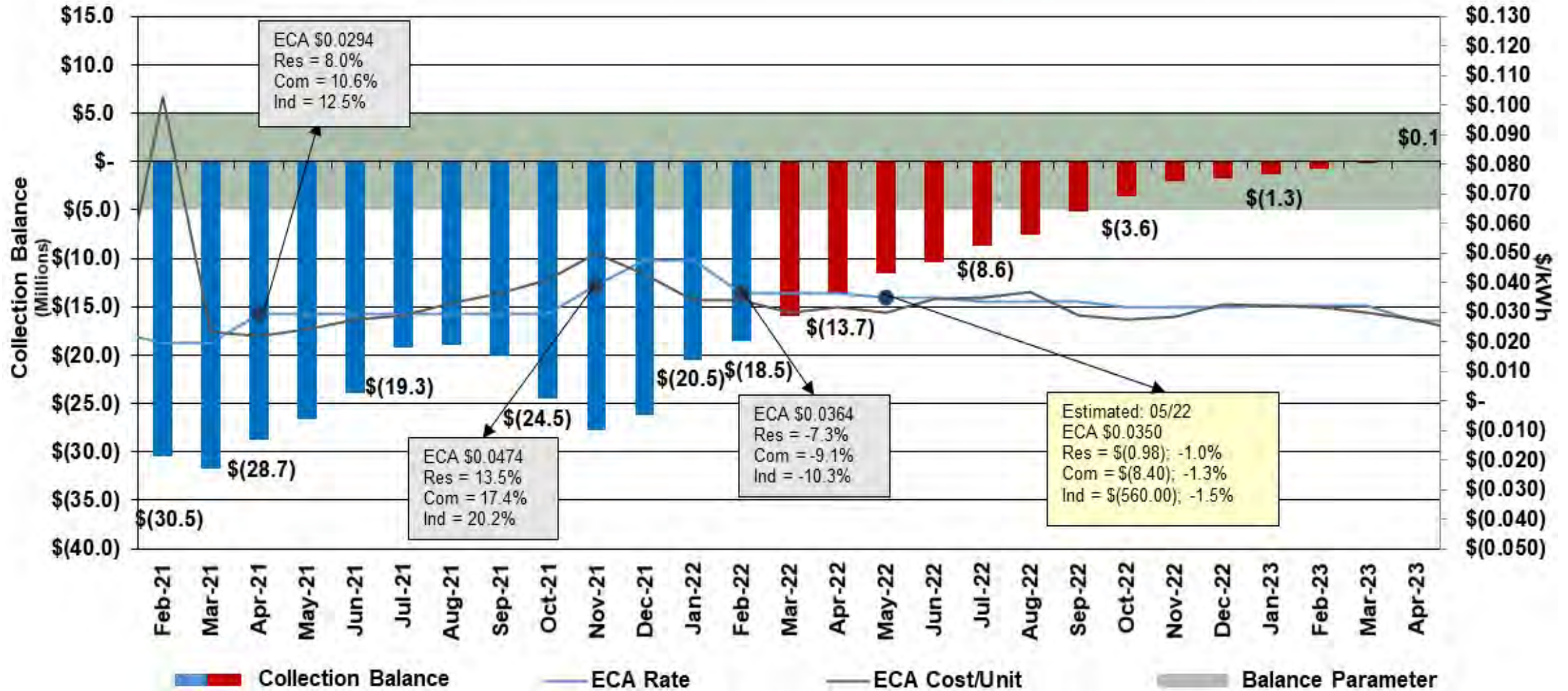
Scott Shirola, Pricing and Rates Manager

March 16, 2022

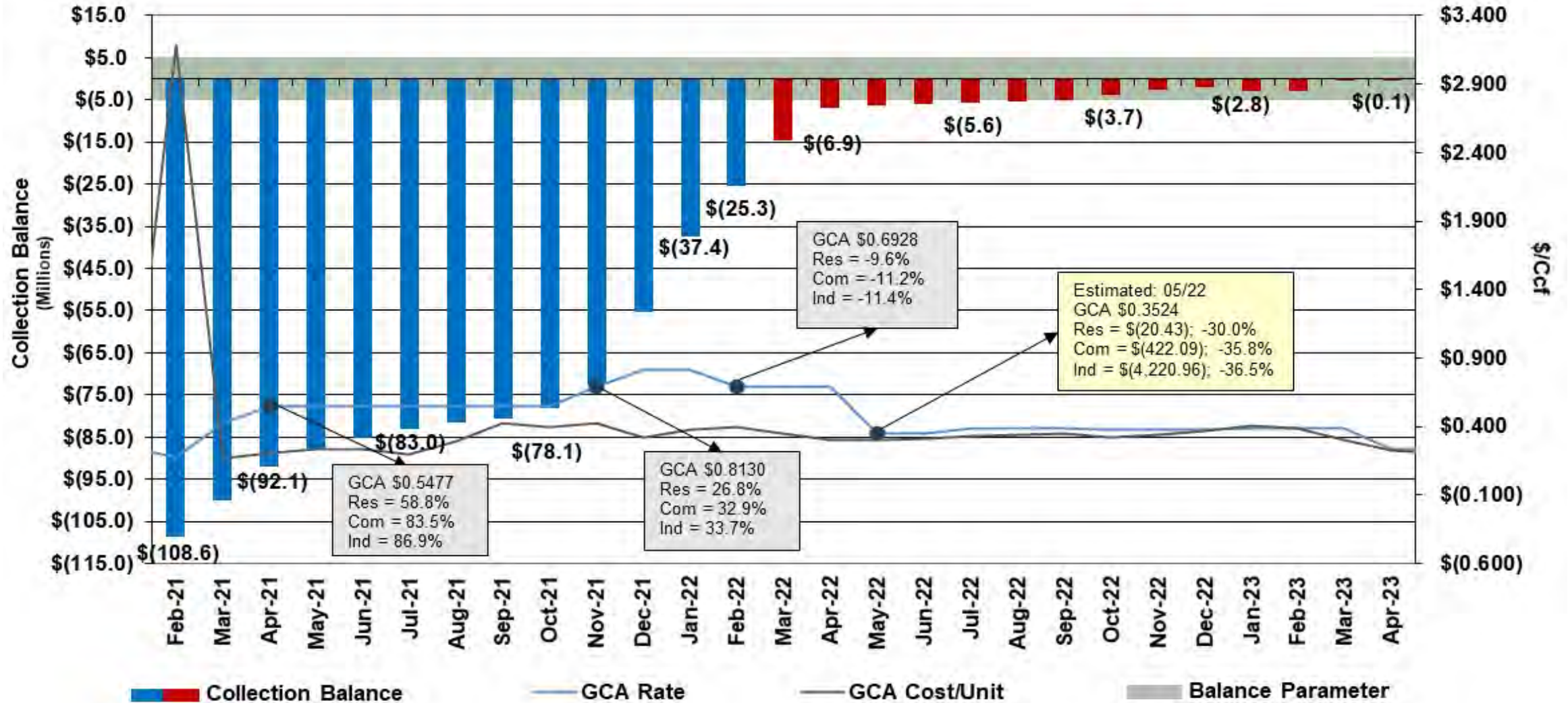
Natural Gas Prices as of March 1, 2022



ECA Projections March 2022



GCA Projections March 2022





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Water Outlook

Kalsoum Abbasi

Water Planning Supervisor

March 16, 2022

Local Weather Conditions as of February 28, 2022

Precipitation (Inches of Moisture)

- February 2022 – 0.56 in. (175% of normal)
- 2022 YTD Total – 0.78 in. (128% of normal)

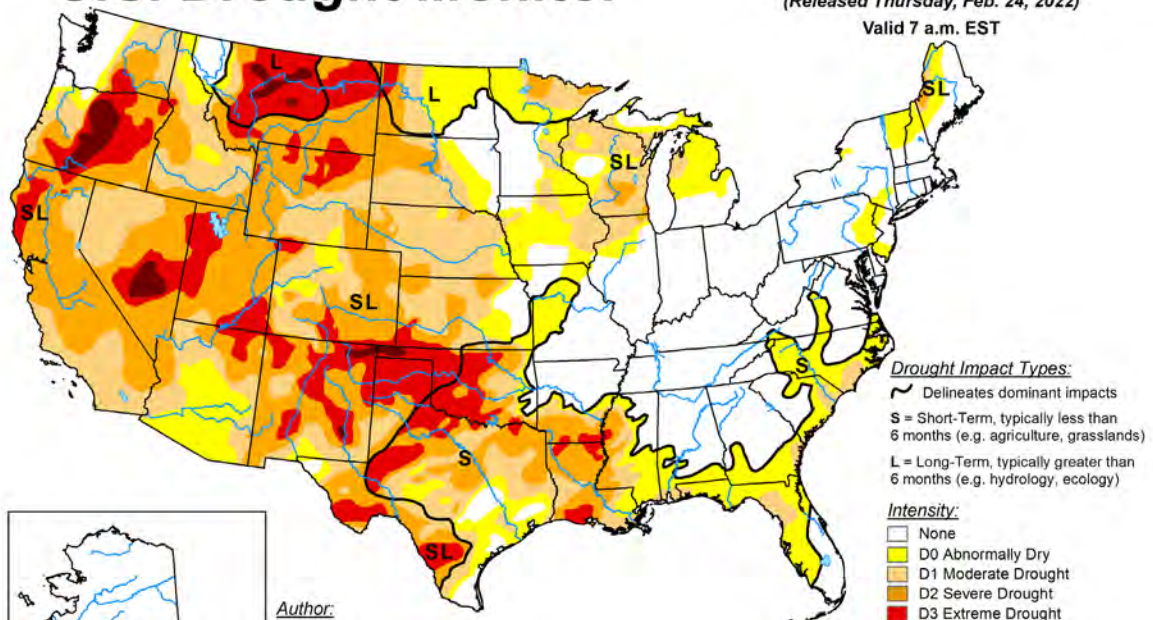
Average Temperature (Degrees F)

- February 2022 – 29.2 Deg. (4.2 deg. below normal)
- 2022 YTD Average – 31.8 Deg. (0.9 deg. below normal)



U.S. Drought Monitor

February 22, 2022
 (Released Thursday, Feb. 24, 2022)
 Valid 7 a.m. EST

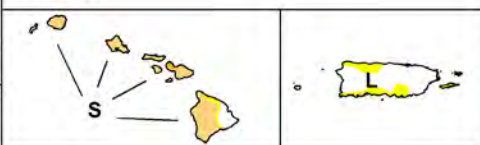


Drought Impact Types:
 ~ Delineates dominant impacts
 S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
 L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:
 None
 D0 Abnormally Dry
 D1 Moderate Drought
 D2 Severe Drought
 D3 Extreme Drought
 D4 Exceptional Drought



Author:
 Brad Pugh
 CPC/NOAA



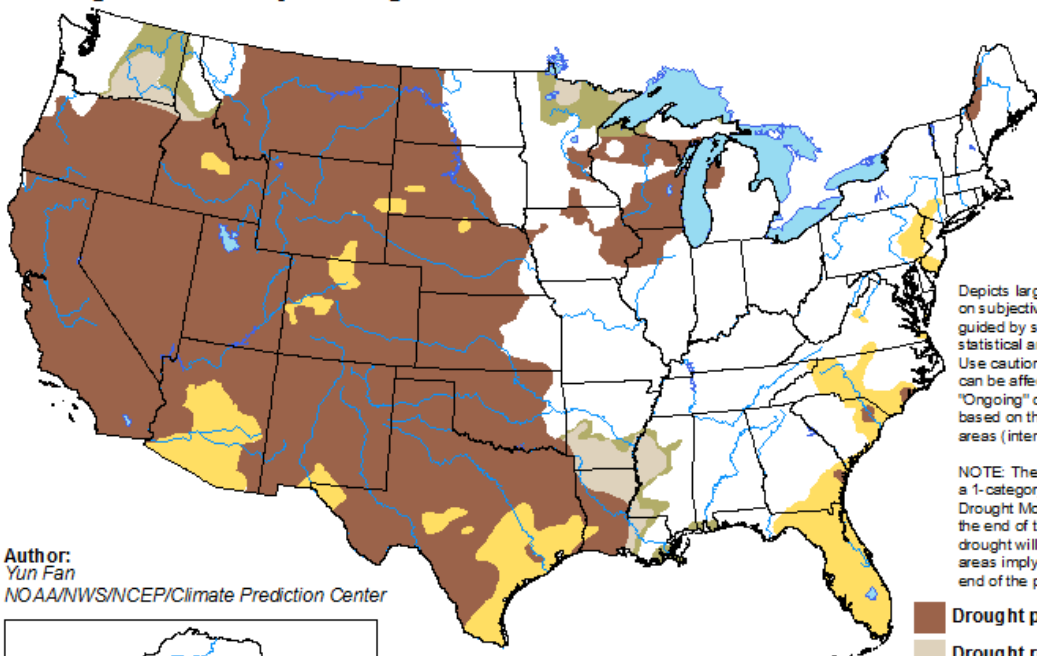
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



U.S. Seasonal Drought Outlook

Drought Tendency During the Valid Period

Valid for February 17 - May 31, 2022
 Released February 17

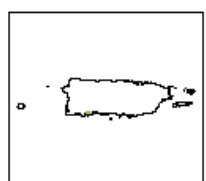
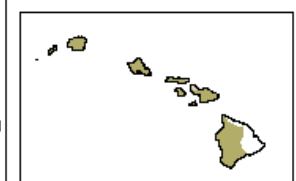
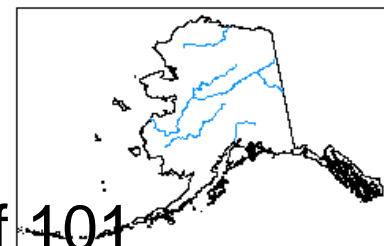


Depicts large-scale trends based on subjectively derived probabilities guided by short- and long-range statistical and dynamical forecasts. Use caution for applications that can be affected by short lived events. "Ongoing" drought areas are based on the U.S. Drought Monitor areas (intensities of D1 to D4).

NOTE: The tan areas imply at least a 1-category improvement in the Drought Monitor intensity levels by the end of the period, although drought will remain. The green areas imply drought removal by the end of the period (D0 or none).

- Drought persists
- Drought remains but improves
- Drought removal likely
- Drought development likely

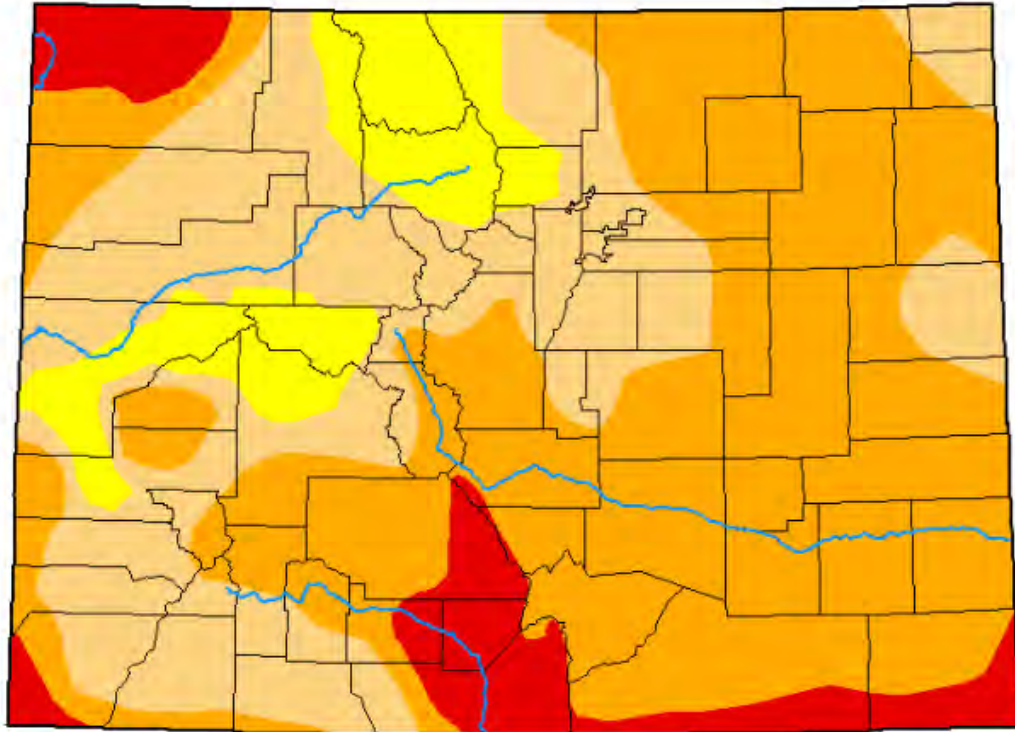
Author:
 Yun Fan
 NOAA/NWS/NCEP/Climate Prediction Center






<http://go.usa.gov/3eZ73>

U.S. Drought Monitor Colorado

February 22, 2022
(Released Thursday, Feb. 24, 2022)
Valid 7 a.m. EST



Intensity:

-  None
-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

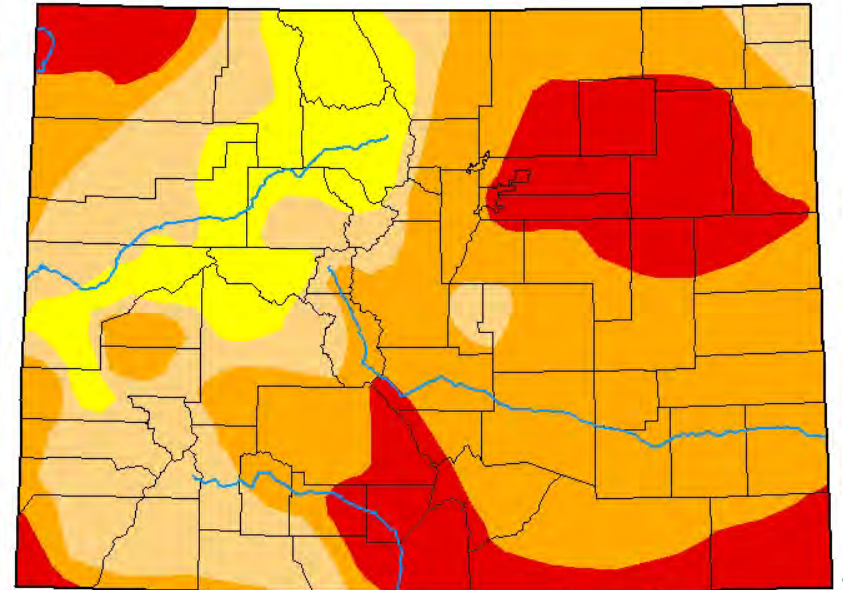
Author:

Brad Pugh
CPC/NOAA

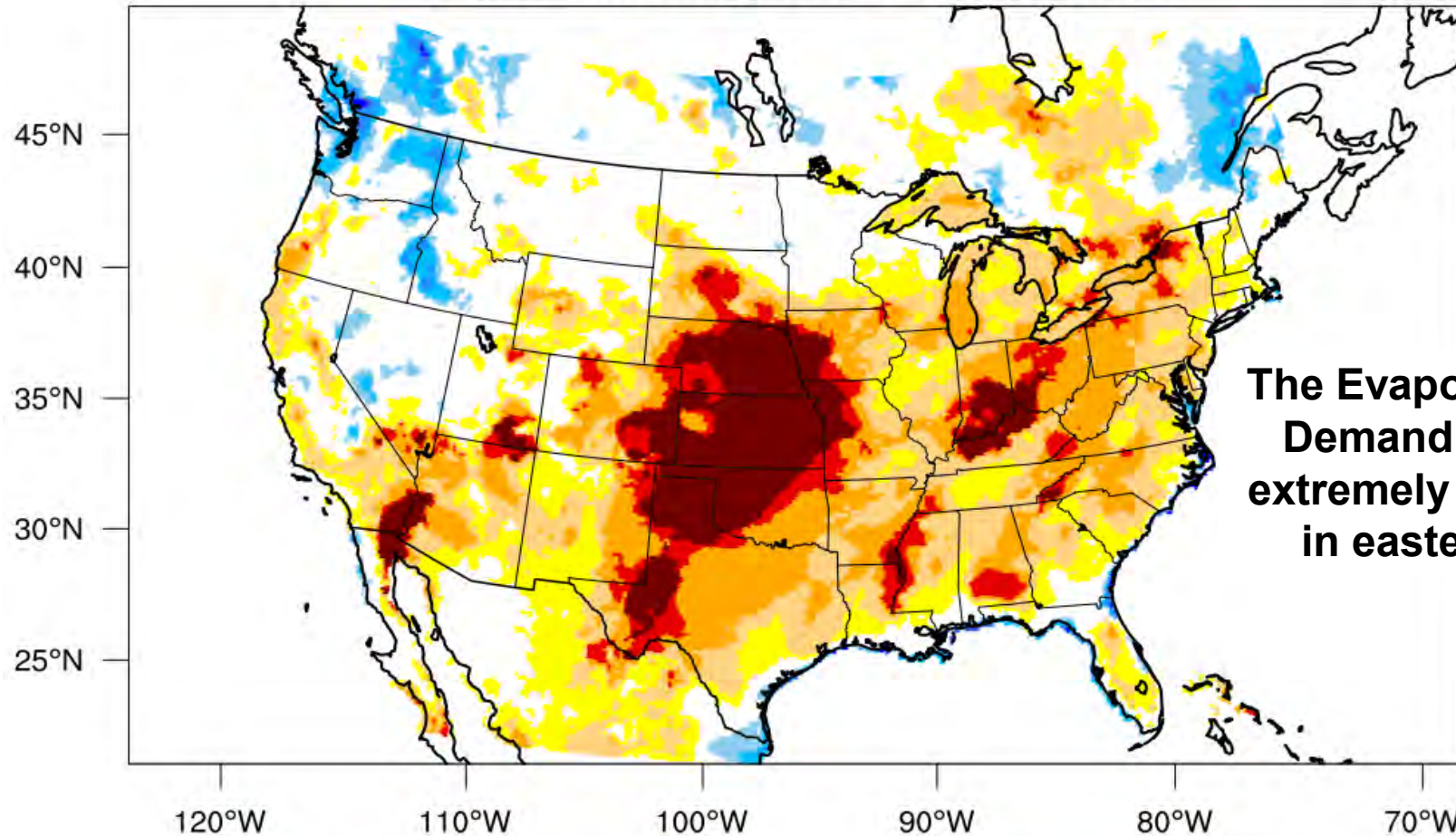


droughtmonitor.unl.edu

Last Month: January 25, 2022



12-week EDDI categories for February 25, 2022



The Evaporative Drought Demand Index shows extremely dry conditions in eastern Colorado

Drought categories



100% 98% 95% 90% 80% 70%

Wetness categories



30% 20% 10% 5% 2% 0%

(EDDI-percentile category breaks: 100% = driest; 0% = wettest)

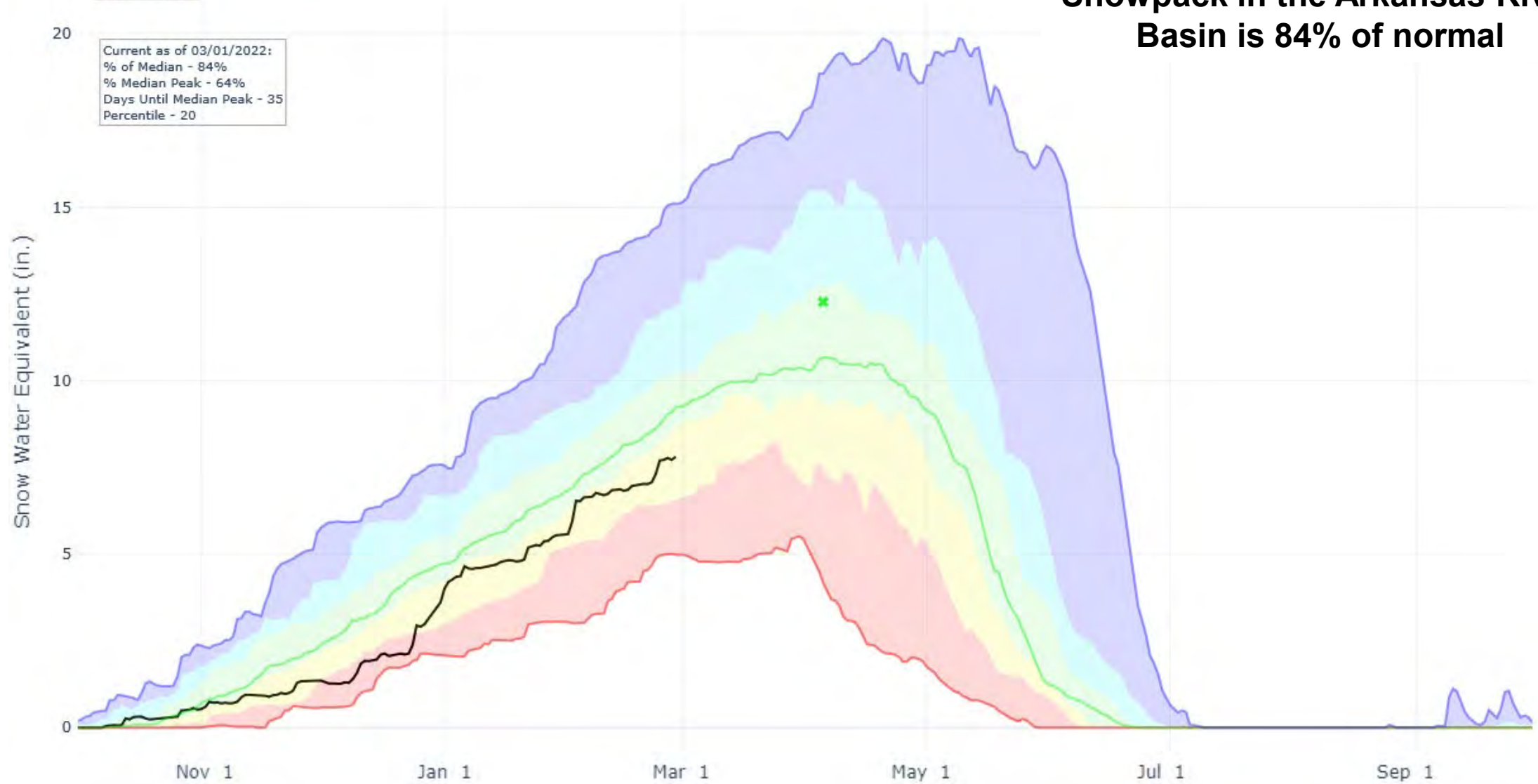
Generated by NOAA/ESRL/Physical Sciences Laboratory

SNOW WATER EQUIVALENT IN UPPER ARKANSAS

Reset Range

Current as of 03/01/2022:
% of Median - 84%
% Median Peak - 64%
Days Until Median Peak - 35
Percentile - 20

Snowpack in the Arkansas River Basin is 84% of normal

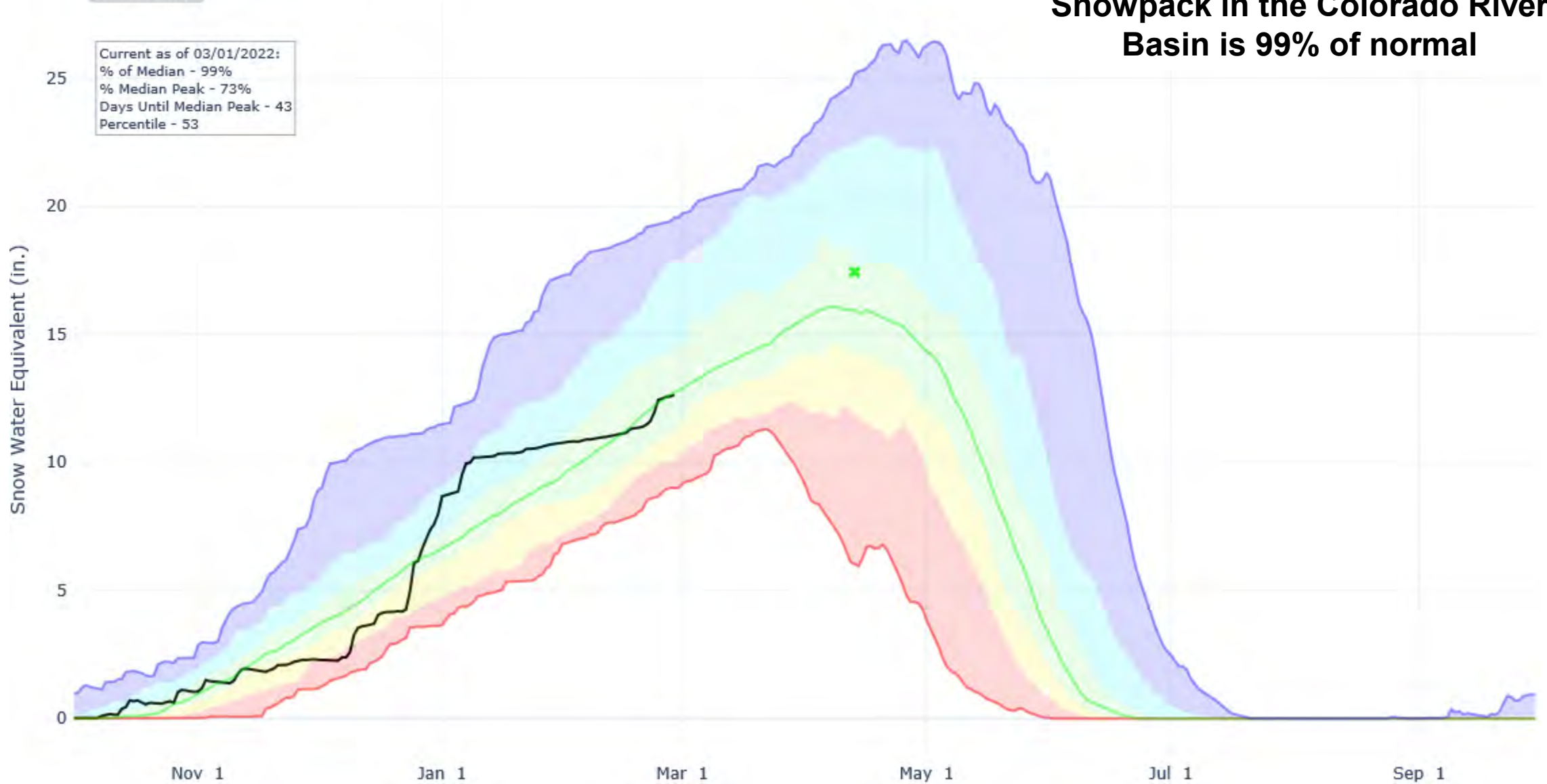


SNOW WATER EQUIVALENT IN COLORADO HEADWATERS

Reset Range

Current as of 03/01/2022:
% of Median - 99%
% Median Peak - 73%
Days Until Median Peak - 43
Percentile - 53

Snowpack in the Colorado River Basin is 99% of normal

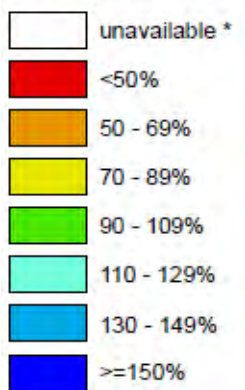


Colorado SNOTEL Current Snow Water Equivalent (SWE) % of Normal

Mar 01, 2022

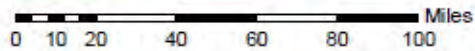
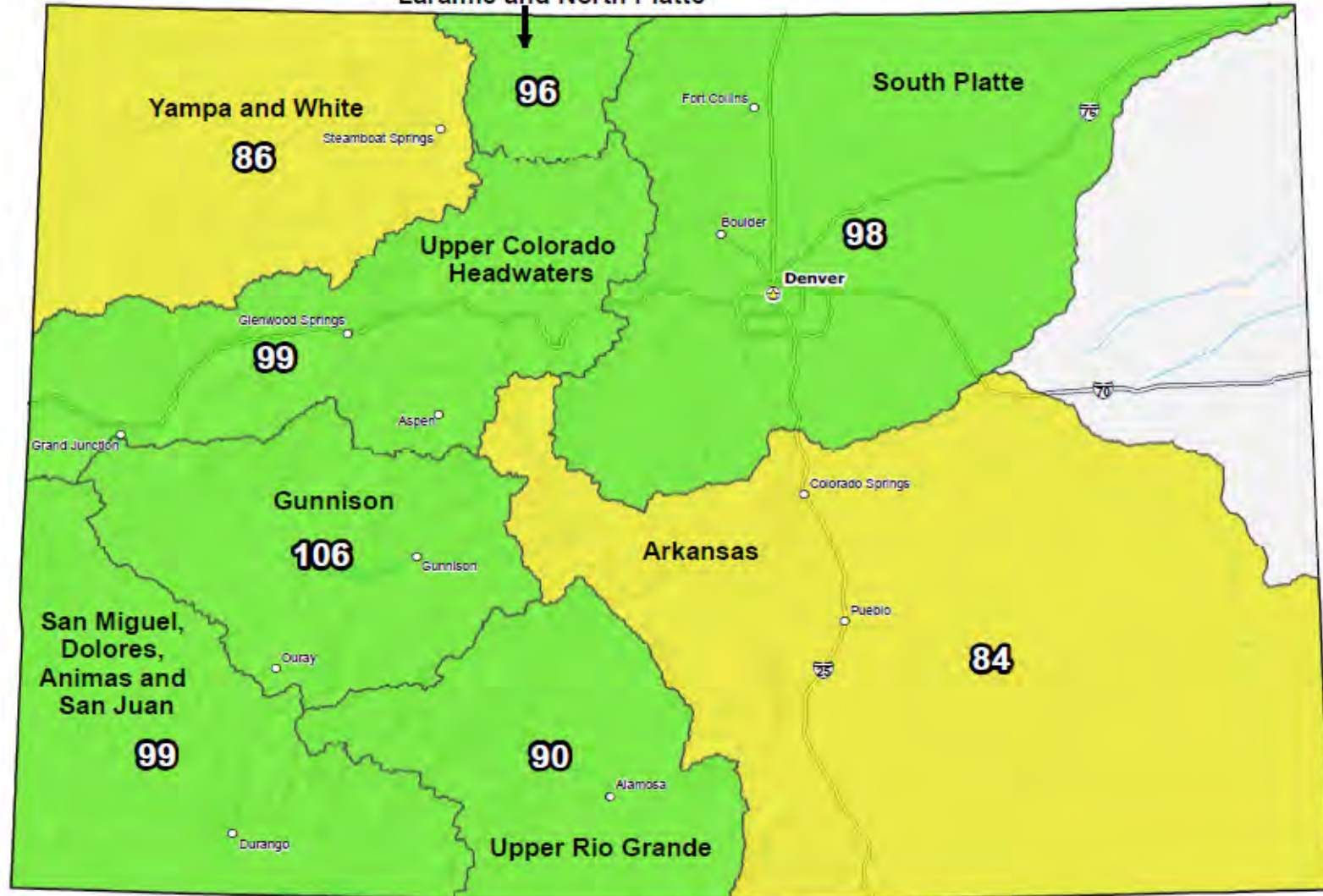
Laramie and North Platte

Current Snow Water Equivalent (SWE) Basin-wide Percent of 1991-2020 Median



* Data unavailable at time of posting or measurement is not representative at this time of year

Provisional Data
Subject to Revision



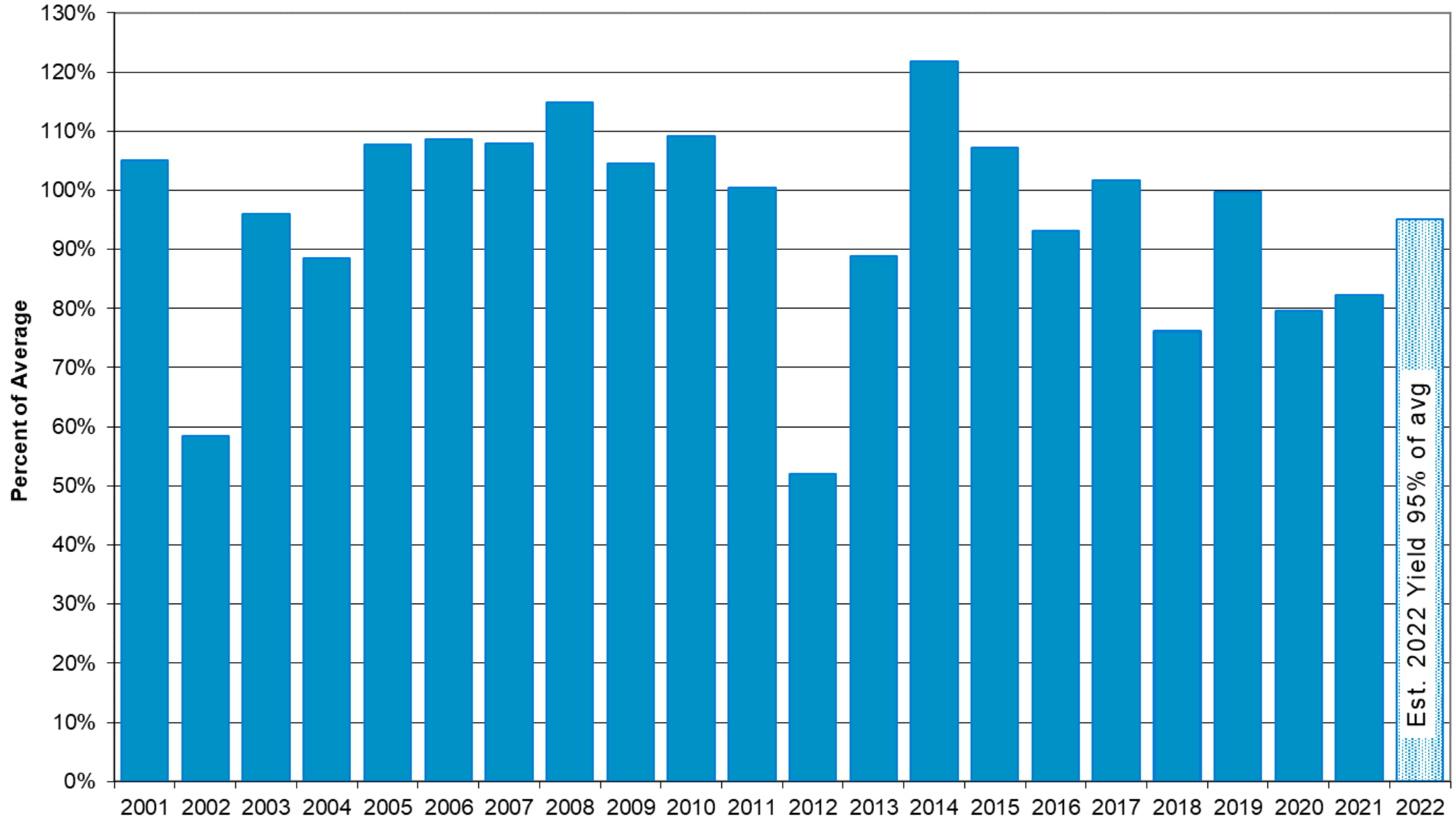
The snow water equivalent percent of normal represents the current snow water equivalent found at selected SNOTEL sites in or near the basin compared to the average value for those sites on this day. Data based on the first reading of the day (typically 00:00).

Prepared by:
USDA/NRCS National Water and Climate Center
Portland, Oregon
<https://www.nrcs.usda.gov/wps/portal/wcc/home/>



Colorado Springs Water Yields 2001 - 2021

Percent of Average Yield



2022 Demands

February

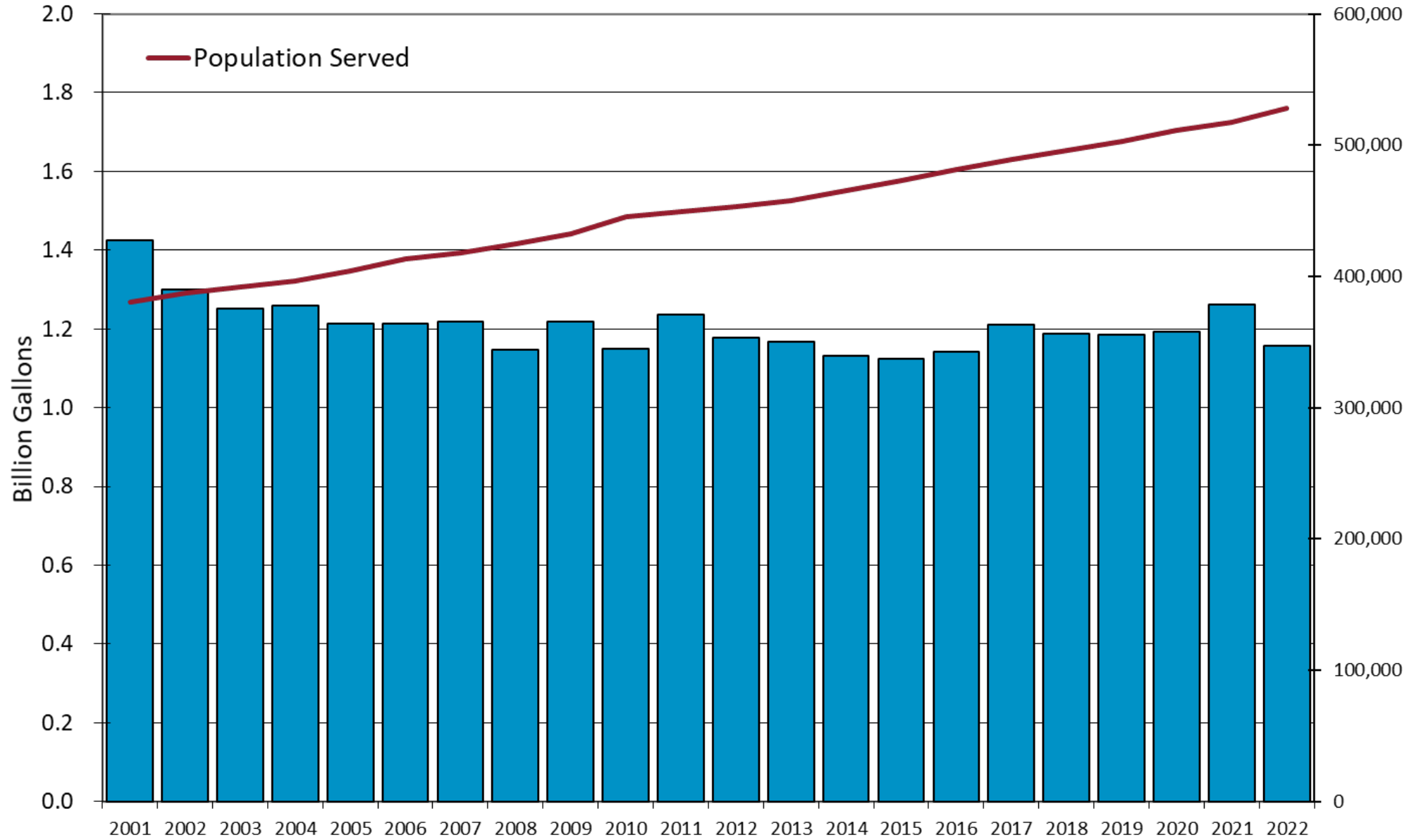
- Averaged 40.5 MGD
- 6.9% less than February 2021

2022 Year to Date

- Averaging 40.5 MGD, 2.39 BG total
 - 5.0% less than 2021
 - 0.127 Billion Gallons less than 2021



Monthly Water Use for February



Reservoir Levels

February 28, 2022

- Pikes Peak 60 %
 - 91-21 Avg. 66 %
- Rampart 77 %
 - 91-21 Avg. 81 %
- Local Total 71 %
 - 91-21 Avg. 75 %
- System Total 72 %
 - 91-21 Avg. 72 %



Colorado Springs' System Wide Storage:

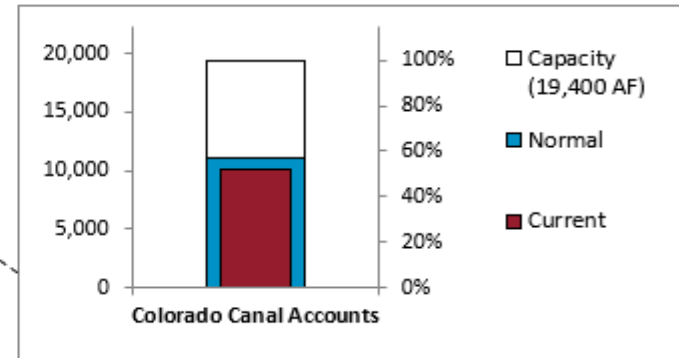
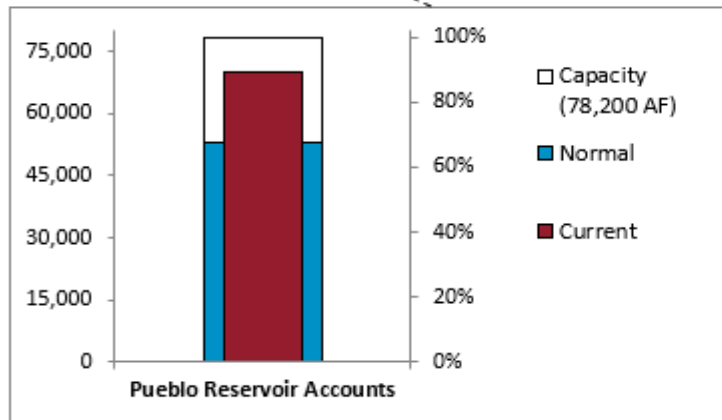
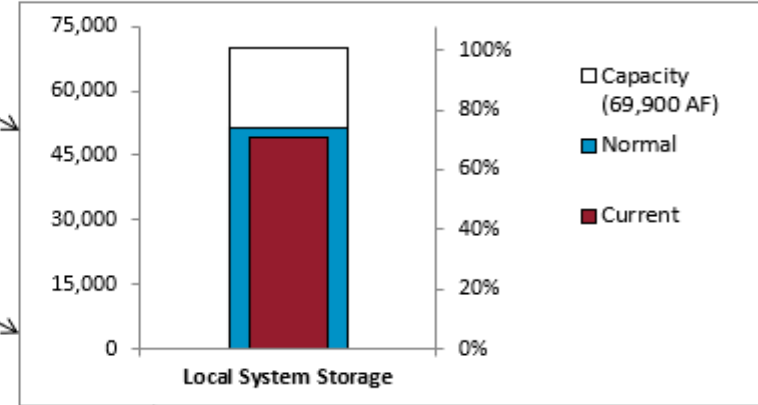
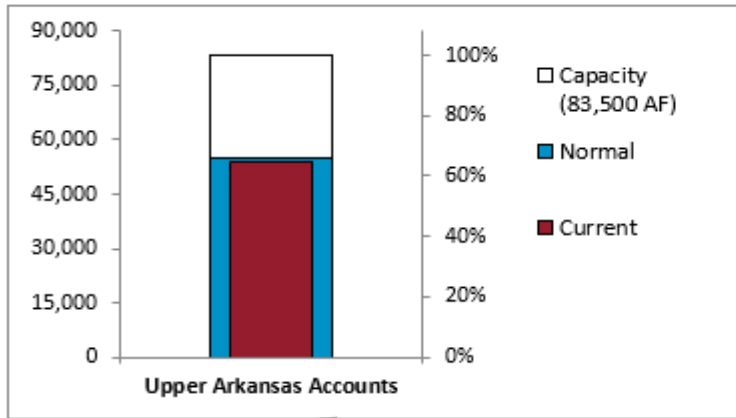
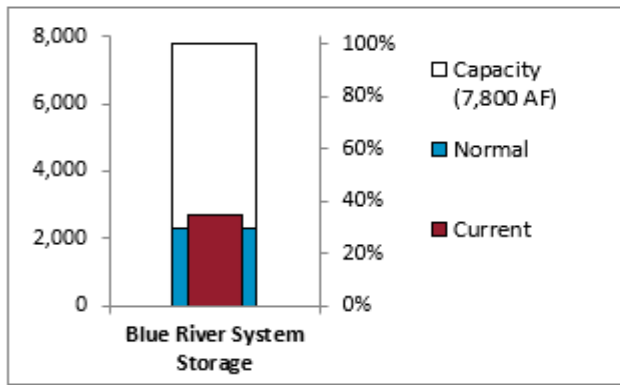
February 28, 2022 **186,500 af**

72.1 %

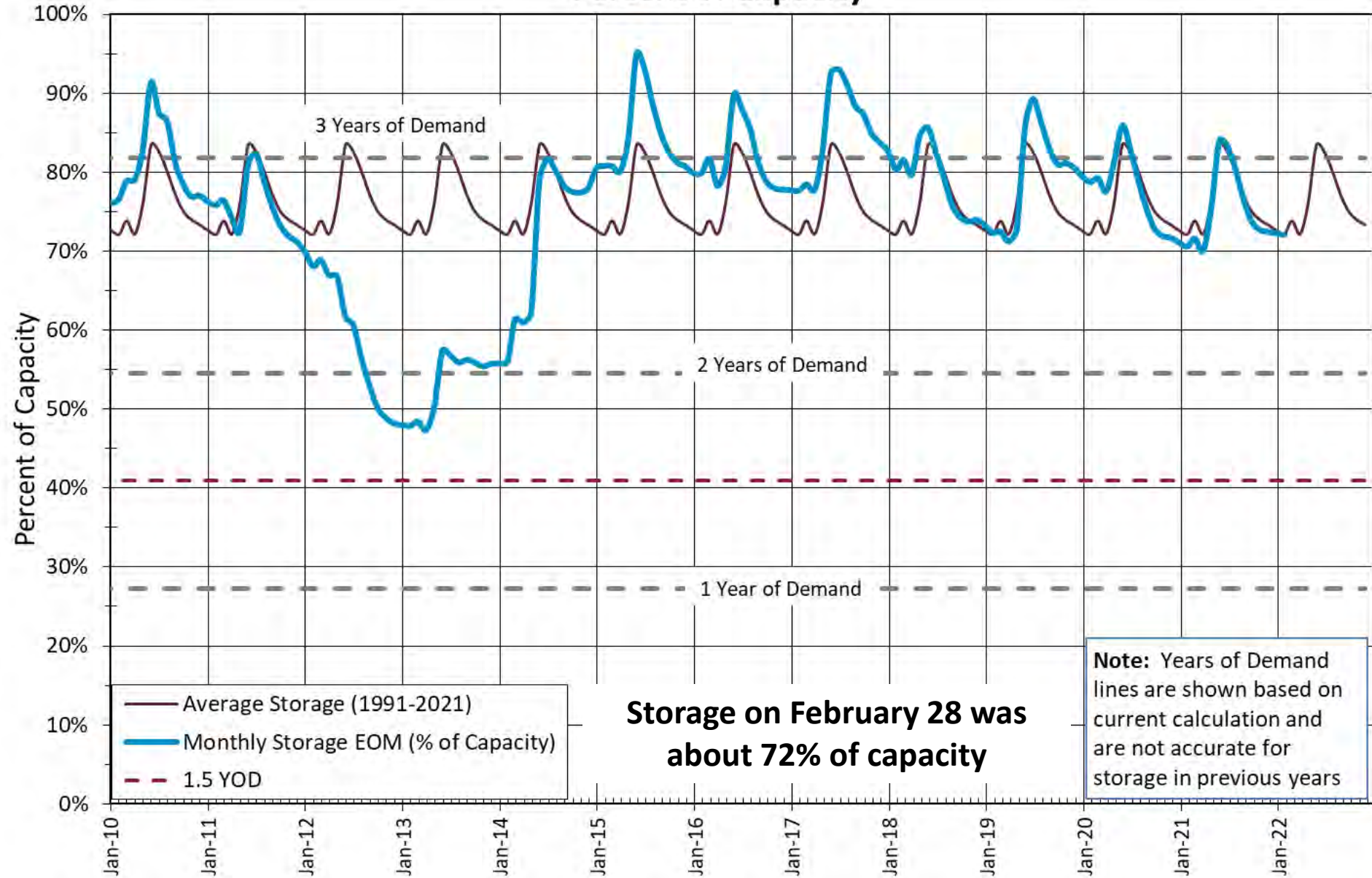
2001-2021 avg **172,800 af**

66.8 %

Average YTD Demand 40.5 MGD



Monthly Storage Percent of Capacity



**Storage on February 28 was
about 72% of capacity**

Note: Years of Demand lines are shown based on current calculation and are not accurate for storage in previous years

2022 Regional Water Contracts

Donala Water & Sanitation District

- Through February 28, 2022: Conveyed 0.0 AF for \$7,293
- Premium to Municipal Government: \$1,265

Security Water District

- Through February 28, 2022: Conveyed 0.0 AF for \$5,550
- Premium to Municipal Government: \$925

Outside Service Area Augmentation Leases - PF, LLC (Seven Falls), Emerald Valley Ranch

- Through February 28, 2022: Leased 3.0 AF for \$1,647
- Premium to Municipal Government: \$274

Total 2022 YTD Revenue from Regional Contracts: \$14,490



Water Outlook

- Situation Outlook Summary
 - System-wide storage at 72% of capacity, slightly below our long term average
 - About 2.6 years of demand in storage, based on the past 3 years of demand
 - Have 236 days of demand in local storage
- The 12-week EDDI still shows dry evaporative demands across most of CO; Persistence of this signal into spring and summer could predict deepening drought
- Three-month outlook predicts
 - Higher chances of above-average temperatures across Colorado
 - Higher chances of below-average precipitation across Colorado
- We continue to monitor snowpack, demand and storage to maximize available water supply



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Date: March 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: Irrigation Efficiency Cost-Sharing Intergovernmental Agreement (IGA)

Desired Action: Discussion

Previous Board Communications/Discussion: N/A

Executive Summary: Colorado Springs Utilities (Springs Utilities) will brief the Utilities Board on the potential to participate in the collaborative funding of a multi-season alfalfa pilot study in Arizona that may help sustain agriculture while reducing the amount of Colorado River water used in the agriculture industry. Staff will present a proposed resolution approving an Intergovernmental Agreement between Denver Water, Springs Utilities, Aurora Water and the Pueblo Board of Water Works to contribute funds to a Colorado River Basin water conservation pilot study.

Background Information: The Colorado River Basin is experiencing the driest 22-year period in the historical record, which has caused significant decreases in annual water supply in the Colorado River system and depletions of Colorado River water storage. Several Lower and Upper Basin water providers acknowledge these severe conditions and the need to take urgent, proactive steps to reduce Colorado River water use. Denver Water entered into an agreement with entities from other Colorado River Basin states to identify, select, and fund innovative water-conservation pilot scale projects that have the potential to reduce consumptive uses of Colorado River water. Those entities have agreed to fund a multi-season alfalfa pilot study in Arizona utilizing gravity micro-irrigation technology that may help sustain agriculture while reducing the amount of Colorado River water used in the agriculture industry.

Denver Water agreed to contribute up to \$60,000 towards funding the study. Springs Utilities, in collaboration with Aurora Water and Pueblo Water, desires to enter into a separate intergovernmental agreement with Denver Water to contribute to its funding of the alfalfa pilot study. As a user of Colorado River water, Springs Utilities will benefit from the results of the study. The intergovernmental agreement would require Springs Utilities to contribute up to \$7,500 to Denver Water's funding of the study.

Options: City Council could approve the resolution authorizing Springs Utilities to enter into the intergovernmental agreement, not approve the resolution, or direct Springs Utilities to negotiate a lower contribution amount with Denver Water.

Recommendations: Authorize Springs Utilities to place the Resolution on the March 22, 2022 City Council Consent Agenda.



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Irrigation Efficiency Cost-Sharing Intergovernmental Agreement (IGA)

Earl Wilkinson III, Water Compliance and Innovation Division Officer

March 16, 2022

Intergovernmental Agreement (IGA)

Participation in an Irrigation Efficiency Project

Background

- Colorado River Basin is experiencing the driest 22-year period in the historical record
- Recognize the need to take proactive steps to reduce Colorado River water use



Collaborative Efforts and Benefits

- Opportunities exist to partner and fund projects using innovative technologies
- Explore potential to conserve water throughout the Colorado River Basin
- Partnership with other Front Range Entities
- As users of Colorado River water, participants will benefit from identifying technologies that may help sustain agriculture while potentially reducing consumptive uses of Colorado River water at scale

Intergovernmental Agreement

Participation in an Irrigation Efficiency Project

Key Terms

- Denver Water: Conservation Master Agreement with Lower Basin water providers
- Denver Water will contribute up to \$60,000 to the funding of multi-season alfalfa pilot study
- Springs Utilities, Aurora Water and Pueblo Water desire to enter into separate cost sharing agreement with Denver Water
- Springs Utilities will contribute up to \$7,500 in 2022

Next Steps

- Authorize Springs Utilities to place the Resolution on the March 22, 2022 City Council Consent Agenda

**Inter-governmental Cost-Sharing Agreement to Fund an Interlocal Funding Agreement
for Colorado River Conservation Project**

Contract No. 505112

This Inter-governmental Cost-Sharing Agreement (“Agreement”) is entered into by and between the City and County of Denver, acting by and through its Board of Water Commissioners (“Denver Water”), the City of Aurora, Colorado, acting by and through its Utility Enterprise (“Aurora Water”), the City of Colorado Springs, acting on behalf of its enterprise, Colorado Springs Utilities (“Springs Utilities”), and the Board of Water Works of Pueblo, Colorado (“Pueblo Water”). Denver Water, Aurora Water, Springs Utilities, and Pueblo Water are referred to herein together as the “Parties” and individually as a “Party” when using the capitalized terms.

Recitals

- A. The Colorado River Basin is experiencing the driest 22-year period in the historical record, which has caused significant decreases in annual water supply in the Colorado River system and depletions of Colorado River water storage.
- B. The changes in climate and hydrology have culminated in the Colorado River’s first “shortage” declaration, which the Secretary of the Department of the Interior announced on August 16, 2021, based on Lake Mead’s projected water elevation.
- C. The changes in climate and hydrology of 2000-2021 are also contributing to the lowest 22-year period since the closure of Glen Canyon Dam in 1963, with an average unregulated inflow of 8.46 million acre feet (“maf”), or 88% of the 30-year average (1991-2020), and projections that Lake Powell may begin January 1, 2022, at an elevation of less than 3,575 feet.
- D. Denver Water entered into a Conservation Master Agreement (“Master Agreement”), attached hereto as **Exhibit A**, with the Central Arizona Water Conservation District (“CAWCD”), Southern Nevada Water Authority (“SNWA”), Metropolitan Water District of Southern California (“MWD”), and the Central Utah Water Conservancy District (“CUWCD”) whereby the Parties to the Master Agreement agreed to a process for proposing and funding the study of certain projects involving innovative technologies that have demonstrated the potential to conserve water throughout the Colorado River Basin and for which the Parties intend to determine whether such technologies can be deployed at scale.
- E. Under the Master Agreement, the Parties thereto entered into an Interlocal Funding Agreement (“Interlocal Funding Agreement”), attached hereto as **Exhibit B**, for the funding of a multi-season (October 2021 – September 2023) alfalfa pilot study utilizing N-drip technology.
- F. Denver Water agreed to contribute an amount not to exceed \$60,000.00 to the funding of the alfalfa pilot study utilizing N-drip technology under the terms of the Interlocal Funding Agreement.

- G. Denver Water, Aurora Water, Springs Utilities, and Pueblo Water all utilize and depend upon Colorado River supplies to meet the needs of their customers.
- H. Aurora Water, Springs Utilities, and Pueblo Water desire to participate in the funding of the Interlocal Funding Agreement to help identify technologies that can be utilized to conserve Colorado River Basin water, and desire to commit funds to Denver Water to help fund the Interlocal Funding Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Agreement

- 1. Recitals Incorporated. The above recitals are incorporated and made a part of the Agreement.
- 2. Contributions. Denver Water, on behalf of the Parties, has entered into the Master Agreement and Interlocal Funding Agreement. To help fund the Interlocal Agreement, the Parties to this Agreement will contribute to Denver Water a maximum amount not to exceed their respective amounts set forth below:
 - a. Aurora Water: \$7,500.00
 - b. Springs Utilities: \$7,500.00
 - c. Pueblo Water: \$7,500.00
 - d. Denver Water will be responsible for the remaining cost of its funding commitment under the Interlocal Funding Agreement.
- 3. No Responsibility for Other Party's Funding Contribution. No Party shall be responsible for payment of the obligations of any other Party under this Agreement.
- 4. Denver Water's Responsibility. Denver Water will collect funds from the Parties to cover the actual costs incurred under the Interlocal Funding Agreement not to exceed the Parties' respective contributions in paragraph 2 above. In accepting payments for the Interlocal Funding Agreement, Denver Water assumes no responsibility for the outcome or consequences of the pilot study to be performed under the Interlocal Funding Agreement. Denver Water shall not be responsible for any damages to persons or property which may result from the Interlocal Funding Agreement pilot study.
- 5. Invoicing. Following the effective date of this Agreement, Denver Water will invoice each Party for its contribution set forth in paragraph 2 above. These invoices shall be payable within thirty (30) days of the date of the invoice. If Denver Water invoices Parties for funds that are determined not to be needed for the Interlocal Funding Agreement, Denver Water will notify the Parties and refund any unneeded funds.
- 6. Term. This Agreement shall extend for a term beginning on the effective date and automatically terminate on December 31, 2023. The Parties' obligation to pay Denver Water their respective portion of the costs shall survive termination of this Agreement subject to paragraph 8 below.

7. Notices. The Parties shall contact the persons listed below for all matters related to administration of this Agreement. All notices required or given under this Agreement shall be in writing and shall be deemed effective: (a) when delivered personally to the other party; or (b) seven (7) days after posting in the United States mail, first-class postage prepaid, properly addressed as follows; or (c) when sent by e-mail. If notice is provided by e-mail, the notifying Party must follow up with a hard copy of the notice sent by United States mail; however, the notice will be effective as of the original e-mail date.
- a. City of Aurora, Colorado, acting by and through its utility enterprise, ("Aurora Water"), whose contact information is 15151 E Alameda Pkwy #3600, Aurora, Colorado, 80012, (303) 739-7370; c/o Rick Kienitz (rkienitz@auroragov.org).
 - b. The City of Colorado Springs, acting by and through its enterprise Colorado Springs Utilities, whose contact information is 1521 Hancock Expressway, Mail Stop 1825, Colorado Springs, Colorado, 80903, (719) 668-8720; c/o Maria Pastore (mpastore@csu.org).
 - c. The Board of Water Works of Pueblo, Colorado ("Pueblo"), whose contact information is 319 West Fourth Street, Pueblo, Colorado, 81003, (970) 584-0235; c/o Alan Ward (award@pueblowater.org).
 - d. The City and County of Denver, acting by and through its Board of Water Commissioners ("Denver Water"), whose contact information is 1600 West 12th Avenue, Denver, Colorado, 80204, (303) 628-6762; c/o Greg Johnson (Greg.johnson@denverwater.org).

or such other persons or addresses as the Parties may have designated in writing.

8. No Multi-Year Fiscal Obligation. Nothing in this Agreement is intended or shall be construed to create a multiple fiscal year financial obligation or debt of any Party. Where activities or payment obligations provided in the Agreement extend beyond the current fiscal year, continued expenditures or appropriations are contingent on the approval of that Party's governing body. Any unexpended contributed funds may be carried forward and used to fund any future conservation activities, at the discretion of the Party contributing funds.
9. Entire Agreement. This Agreement is the entire Agreement between the Parties regarding the subject matter hereof and supersedes previous oral and written agreements pertaining to the same subject matter and shall be modified by the Parties only by a duly executed written instrument approved by all the Parties.
10. No Third Party Beneficiaries. This Agreement is not intended by any of the undersigned to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or entity other than the Parties as a third party beneficiary or otherwise under any theory of law.

11. Choice of Law. This Agreement is subject to, and shall be governed by, performed and construed under the laws of the State of Colorado. Court jurisdiction for any litigation arising under this Agreement shall be exclusively in the District Court for the Second Judicial District of Colorado, Denver County, Colorado
12. Governmental Immunity. The Parties understand and agree that they are each relying upon, and have not waived, the monetary limitations and all other rights, immunities and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as it may be amended from time to time.
13. Counterparts. This Agreement may be executed in any number of counterparts.
14. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.
15. Effective Date. The effective date of this Agreement shall be the date it is signed by all Parties below.

IN WITNESS WHEREOF, the Parties hereto have accepted, made and executed this Agreement upon the terms, conditions and provisions stated above.

By: _____ Date: _____
Earl Wilkinson, Chief Water Compliance Innovation Officer
Colorado Springs Utilities

By:  _____ Date: 1/24/22
Seth Clayton, Executive Director
The Board of Water Works of Pueblo, Colorado

City of Aurora, Colorado,
acting by and through its Utility Enterprise

Mike Coffman, Mayor

Date: _____

ATTEST:

Kadee Rodriguez, City Clerk

Date: _____

Approved as to form for Aurora:

Christine McKenney
Client Group Manager
City Attorney Office

Date 21031166
ACS #

STATE OF COLORADO)
) SS
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2022, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: _____

(Seal)

**CITY AND COUNTY OF DENVER,
acting by and through its
BOARD OF WATER COMMISSIONERS**

APPROVED:

By: _____
Richard B. Marsicek, Chief Water
Resource Strategy Officer

By: _____
James S. Lochhead, CEO/Manager

DATE: _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:
CITY AND COUNTY OF DENVER

By: _____
Office of General Counsel

By: _____
Timothy M. O'Brien, CPA
Auditor

City of Colorado Springs on Behalf of its Enterprise
Colorado Springs Utilities

By: _____ Date: _____
Aram Benyamin, Chief Executive Officer
Colorado Springs Utilities

APPROVED AS TO FORM:

City Attorney's Office
Utilities Division



Date: March 16, 2022
To: Utilities Board
From: Aram Benyamin, Chief Executive Officer
Subject: **Utilities Reliability Program (URP) Update**

Desired Action: Information/Discussion

Previous Board Communications/Discussion: The Utilities Reliability Program has been discussed at previous Finance Committee and Economic Development Subcommittee meetings and at the May 2021 Board Meeting.

Executive Summary: Colorado Springs Utilities established the Utilities Reliability Program to proactively replace existing utility infrastructure. The program consists of identifying, evaluating, and constructing new utility services that will improve system reliability and be cost effective. An update of this program is provided.

Background Information: Some utility infrastructure for all four services is aged, undersized and non-conforming to current Springs Utilities' standards. These factors lead to a greater probability of failure and consequence of failure and necessitate improvements to Springs Utilities' existing infrastructure.

Ten million dollars are budgeted on an annual basis starting in 2021. Implementation of the URP will improve reliability of the services, incorporate plans for future growth and enhance safety and health issues. Each URP project will also create an opportunity to add fiber optics in the trench and implement utilities' conservation measures.

The URP is an example of Colorado Springs Utilities' dedication to innovation and continuous improvement.

Options: N/A

Recommendations: N/A



Colorado Springs Utilities
It's how we're all connected

Utilities Reliability Program (URP) **Update**

Joe Awad- Interim Officer of System Planning & Projects

March 16, 2022

Description / Objectives

- Proactively and holistically
 - Replace aging infrastructure (E, G, W, WW):
 - End of life; not to specification
 - Add Fiber Optic
 - Implement utilities conservation programs
- Improve reliability (E, G, W, WW)
- Integrate plans for future growth and increased utility usage
- Enhance safety and health issues

- Annual Funding - \$10 million

Project Selection/ Prioritization Criteria

Probability of Failure

- Conditional Assessment and analysis per service

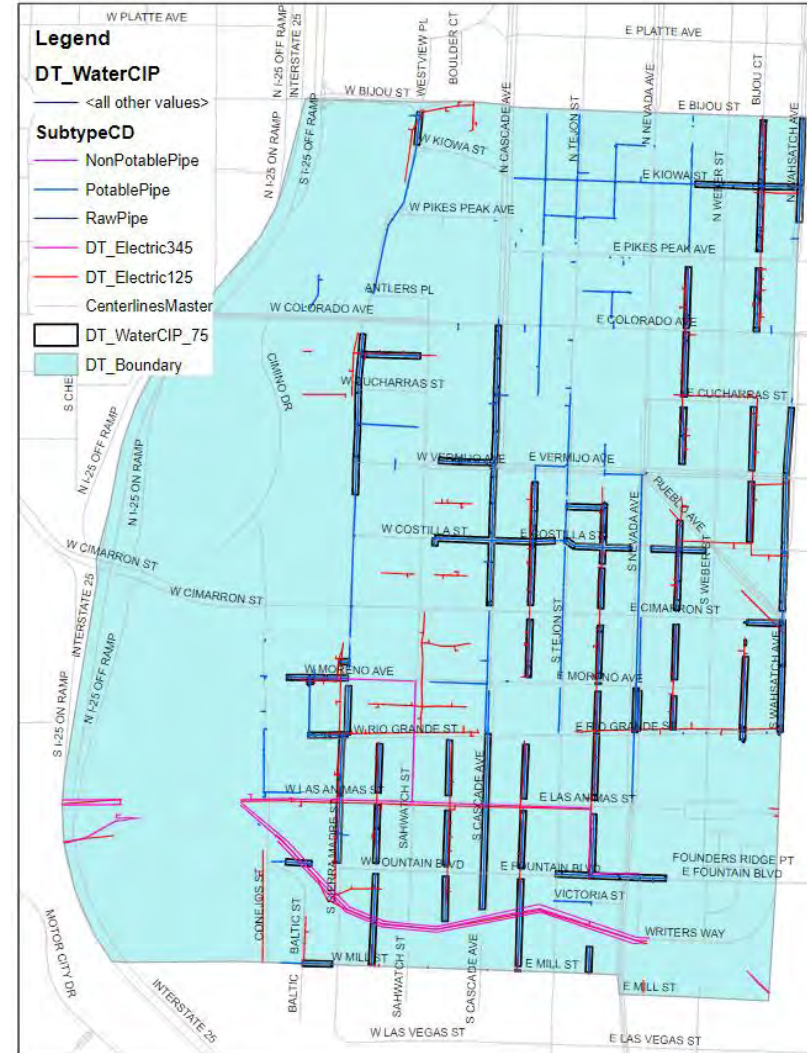
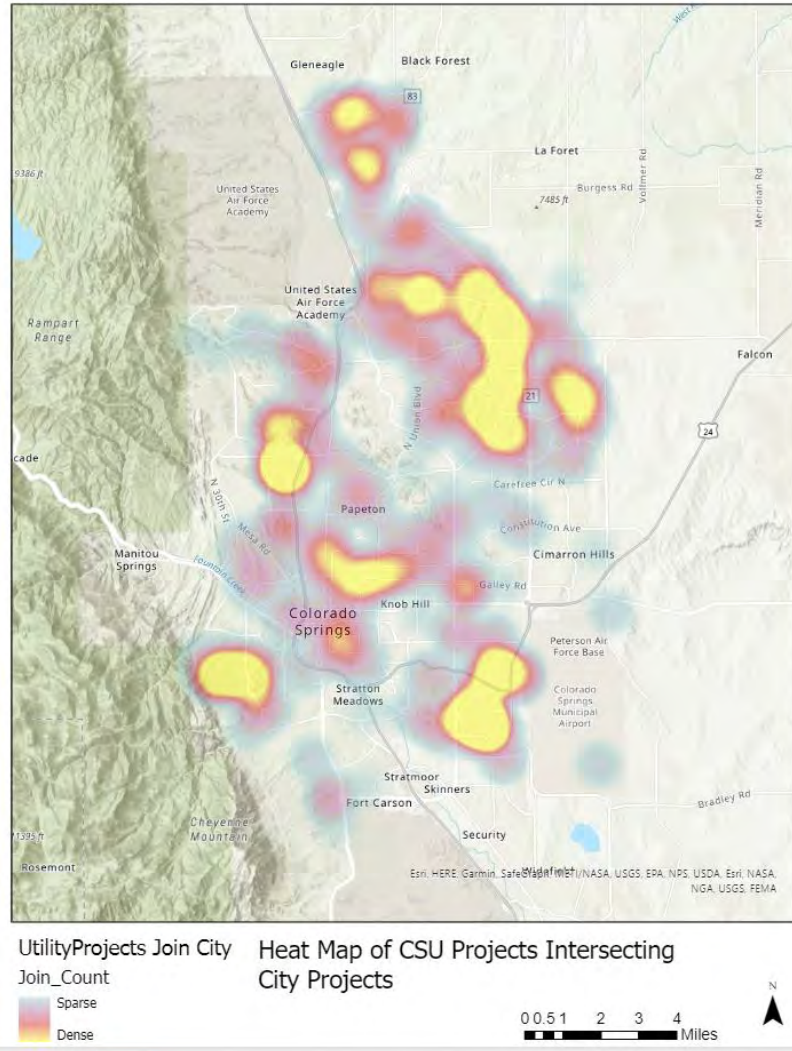
Consequence of Failure

- Environmental, Safety and Health impacts
- Operational impacts
- Economic impacts
- Social impacts

Benefits

- Cost effective:
 - Not waiting for failures; replace/ upgrade in one mobilization vs multiple (do it once vs fragmented approach)
 - Economy of scale
 - Reduce O&M costs
 - Reduce costs for minimizing future emergency response and emergency repairs
- Minimized customer disruptions
- Aligned with partner agencies initiatives
- Improved system reliability- all services
- Improved customer service
- Undergrounding of overhead electrical service

URP Potential Project Heat Map of where scheduled city and utilities project are overlapping; and where Overhead Electric and Cast iron pipe are overlapping



URP Project – 001 Downtown Area

Weber/Wahsatch Alleyway – Cucharras to Rio Grande

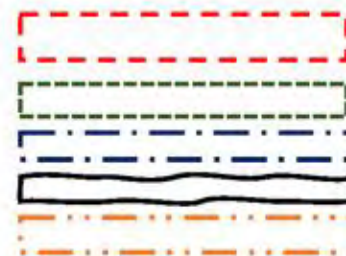
Scope:

- Abandon water in alleyway
- Reconnect water services to water mains in Weber and Wahsatch
- Line wastewater in northern half of project area (Cucharras to Costilla)
- Upsize wastewater from 8" to 12" from Costilla to Rio Grande;
- Underground overhead electric lines in alleyway and along Weber and Rio Grande
- Upgrades to steel gas mains in cross streets perpendicular to alleyway

Schedule:

- Water – Q3 thru Q4 2021 (Completed)
- Wastewater Lining – Completed February 2021
- Wastewater – Q3 thru Q4 2021 (Completed)
- Electric – Q2 2021 thru Q4 2022
- Gas – Q3 2021 thru Q3 2022
- FO – Q2 2022 thru Q4 2022

Colorado Springs Utilities



Phase 1
Phase 2
Phase 3
Phase 4
Phase 5

W= Water
WW= Wastewater
E= Electric
G= Gas



URP Project – 022 Downtown Area

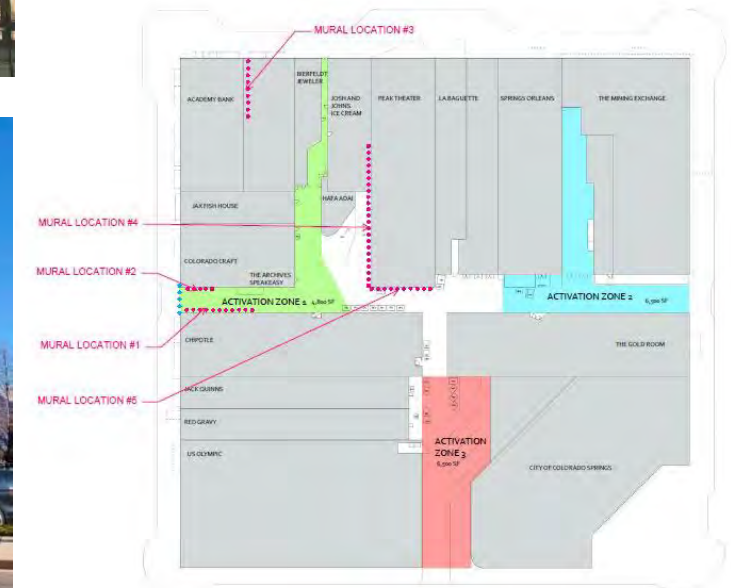
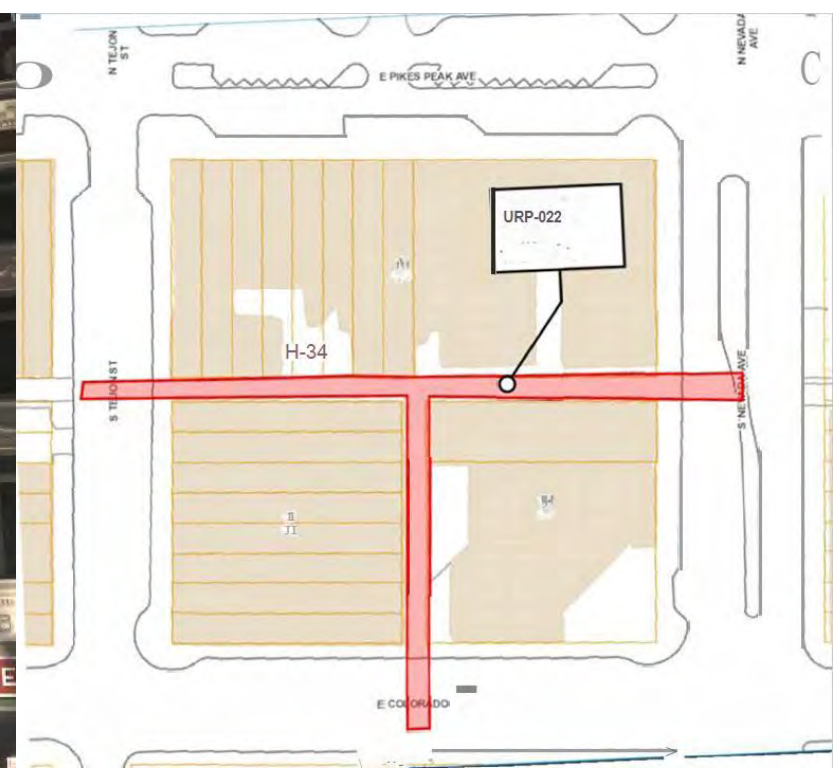
(AdAmAn Alley Behind City Administration Building)

Scope:

- Abandon water in alleyway; reconnect water services to water mains in Tejon, Colorado, and Nevada
- Line wastewater main in alley
- Improvements to electric vaults and cables
- Replacement of steel gas mains;
- Installation of new Utilities fiber optic conduit and cable

Schedule:

- Water – Q2 thru Q3 2022 (August 2022)
- Wastewater – Completed March 2021
- Electric – Q2 thru Q3 2022 (August 2022)
- Gas – Q2 thru Q3 2022 (August 2022)
- FO – Q2 thru Q3 2022 (August 2022)



URP Project – 021

Southeast Area

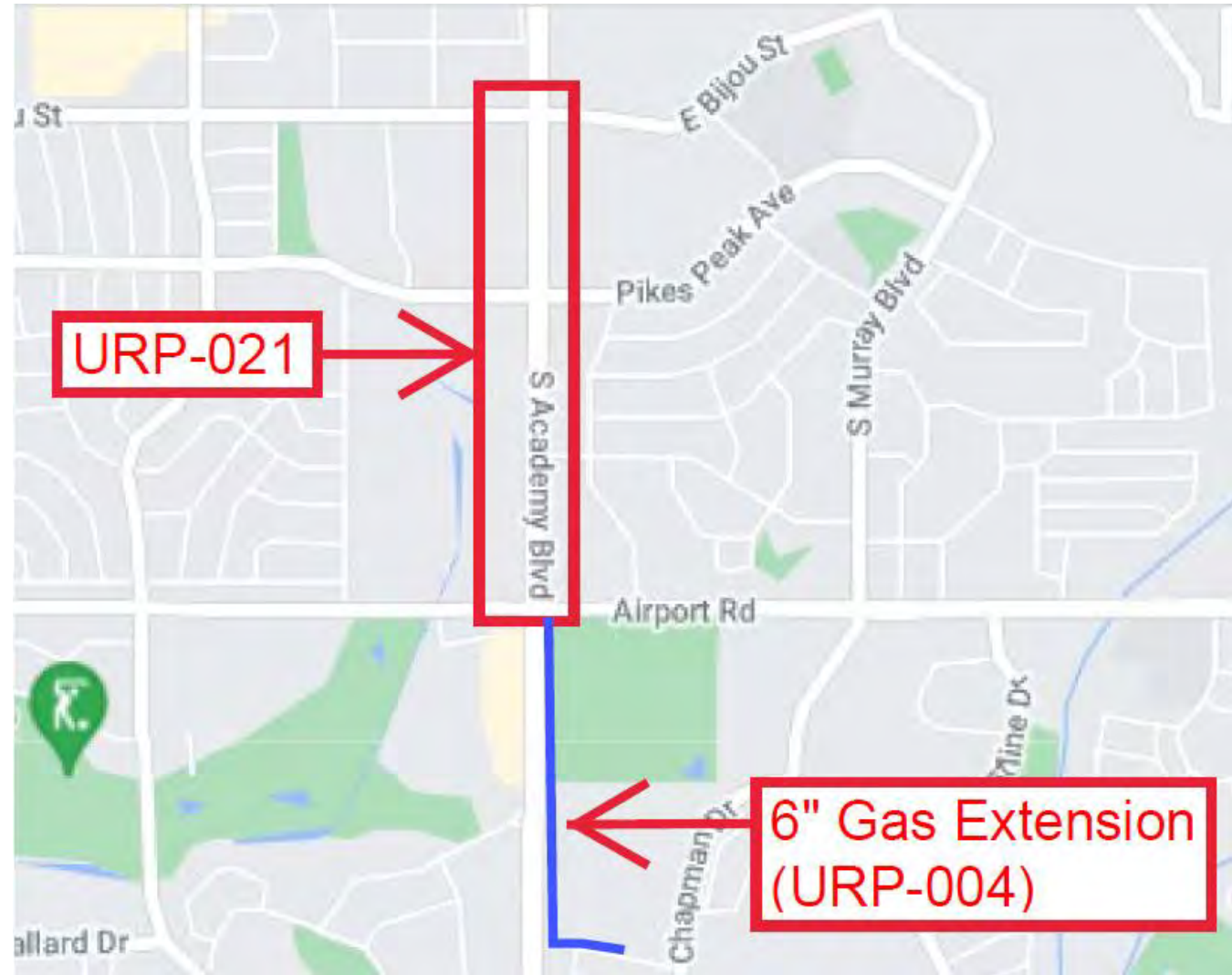
(Academy Blvd Reconstruction/ Revitalization Project – North Phase)

Scope:

- Replace existing 20" water main between Pikes Peak Avenue and Airport Road
- Upsize existing 18" wastewater main to a 42" wastewater main in Airport Road east of Marjorie Lee Drive to the east side of the Academy Blvd and Airport Road intersection
- Installation of new Utilities fiber optic conduit and cable

Schedule:

- Water – Q3 2022 thru Q1 2023
- Wastewater – Q3 2022 thru Q4 2022
- FO – Q3 2022 thru Q1 2023



URP Project – 004

Southeast Area

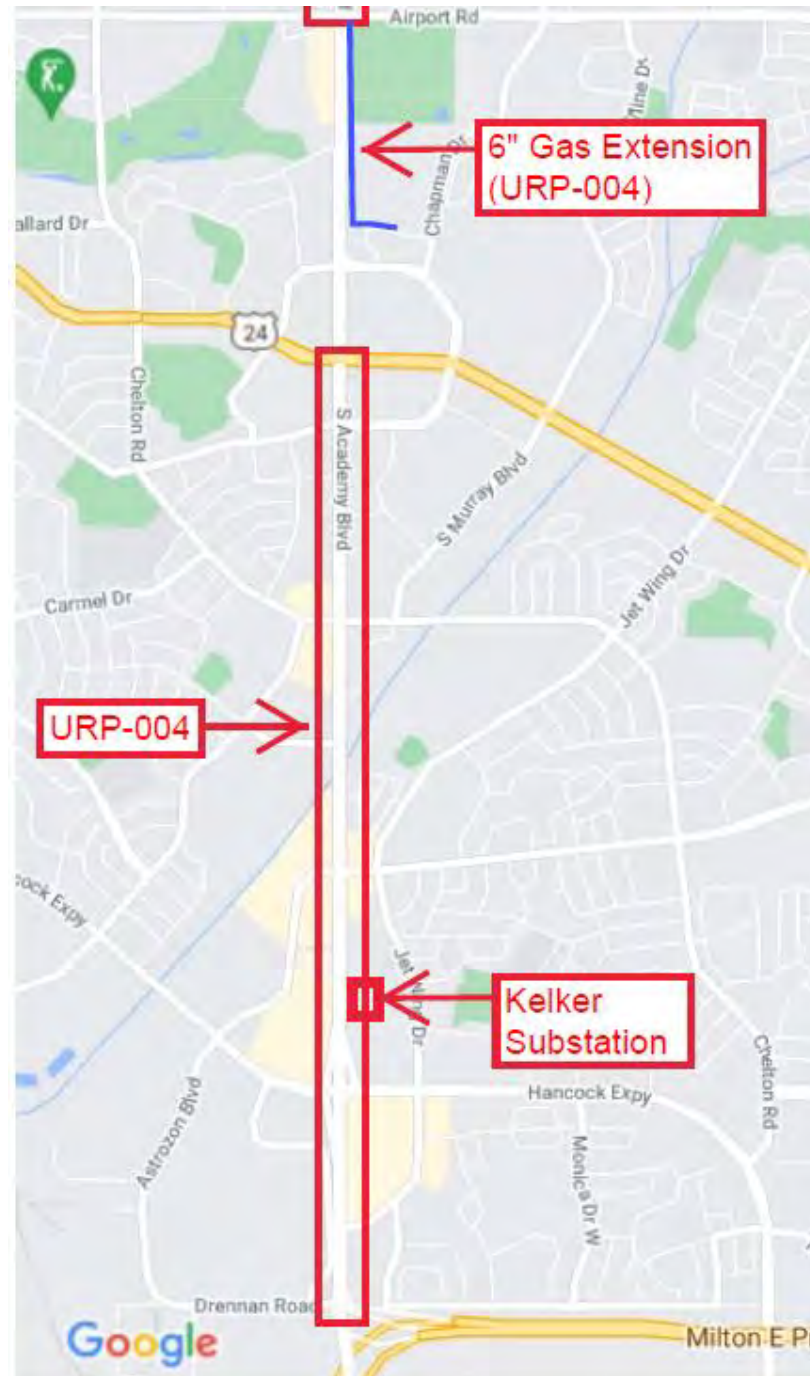
Academy Blvd Reconstruction/ Revitalization Project – South Phase

Scope:

- Replace existing water main between Fountain Blvd and Drennen Road
- Line existing wastewater mains through intersections
- Installation of approximately 2,700 feet of 6" gas line and regulator station between Airport Road and Wentworth Drive to boost pressures in the Southborough District
- Undergrounding of overhead electric distribution lines (approximately 12,700 feet)
- Installation of a new electric circuit
- Replacement of approximately 4,700 feet of 3-phase electric cable
- Installation of new Utilities fiber optic conduit and cable where able

Schedule:

- Water – Q3 2022 thru Q3 2023
- Wastewater – Q3 2022 thru Q3 2023
- Gas – Q2 2022
- Electric – Q3 2022 thru Q3 2023
- FO – Q3 2022 thru Q3 2023



URP Project – 010 Downtown Area

Nevada/Weber Alleyway – Platte Avenue to Las Animas

Scope:

- Abandon water in alleyway
- Reconnect water services to water mains in Nevada and Weber;
- Line wastewater in alley from Platte to Cucharras and from Vermijo to Moreno
- Upsize wastewater from 8" to 12" from Moreno to Las Animas
- Install wastewater improvements north of Vermijo between Weber and Cascade
- Underground overhead electric lines in alleyway and along Nevada
- Upgrade steel gas mains in cross streets perpendicular to alleyway
- Installation of new Utilities fiber optic conduit and cable

Schedule:

- Water – Q1 2023 thru Q4 2023
- Wastewater – Q1 2023 thru Q4 2023
- Electric – Q1 2023 thru Q4 2023
- Gas – Q4 2022 thru Q4 2023
- FO – Q1 2023 thru Q4 2023



Next Steps

- OCA feedback received
- Update the Program Plan:
 - Consolidate and create consistent information for all URP projects
 - URP objectives
 - Qualifying criteria and risk of failure
 - Process
- Highlight the Business Plan/ Project Plan for each project (SOW, funding and budget, schedule, risks, resources, scores)
- Clarify the line extension standards and cost sharing (SIP) to address upgrades
 - Utilities initiated vs business / residential
 - Timing of project
 - Service connections
- Proceed with Projects as planned